

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 25, 2013

Item 3, Report No. 8, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on June 25, 2013.

3 INTERNAL AUDIT REPORT - CORPORATE GOVERNANCE AND ACCOUNTABILITY

The Finance and Administration Committee recommends:

- 1) That the recommendation contained in the following report of the Director of Internal Audit, dated June 10, 2013, be approved; and
- 2) That Communication C2, Presentation Material, entitled, "*Corporate Governance and Accountability - Survey Results*", be received.

Recommendation

The Director of Internal Audit recommends:

1. That Internal Audit be tasked with doing further research into anonymous reporting mechanisms and, in consultation with senior management, report back to Council on the better industry practices and recommended approach.

Contribution to Sustainability

Internal Audit activities and subsequent reports contribute to the sustainability of the City by providing advice and assurance that controls supporting the effective delivery of services and programs are effective. Longer term sustainability needs the support of good, efficient risk mitigation strategies. Internal Audit can provide support for that sustainability by providing independent advice and assurance.

Economic Impact

There are no direct economic impacts associated with this report.

Communications Plan

Not applicable.

Purpose

To present to the Finance and Administration Committee the Internal Audit Report on Corporate Governance and Control and to provide the results of a survey on the effectiveness of the City's corporate governance and accountability practices.

Background - Analysis and Options

Corporate governance and accountability can be best described as a system by which the City of Vaughan is directed and controlled. The system provides a structure through which objectives are set along with the supporting processes to attain the objectives and monitor performance. Good corporate governance and a well-defined accountability structure are the foundation of organizational control.

As part of the approved 2012 - 2014 Risk Based Audit Plan, Internal Audit, through the use of a survey, performed a review of the corporate governance and accountability structure at the City of Vaughan.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 25, 2013

Item 3, Finance Report No. 8 – Page 2

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

Not applicable.

Conclusion

Survey results indicate that the City is effective in communicating its mission and vision and code of conduct expectations. Staff have a good understanding of organizational policies and the impact those policies have on their jobs and the City. Opportunities for improvement include expanding initiatives to build organizational trust, improving communication mechanisms to reduce the fear of reprisal, developing a better understanding of risk management and aligning people, tools and resources to sustain City growth and expansion.

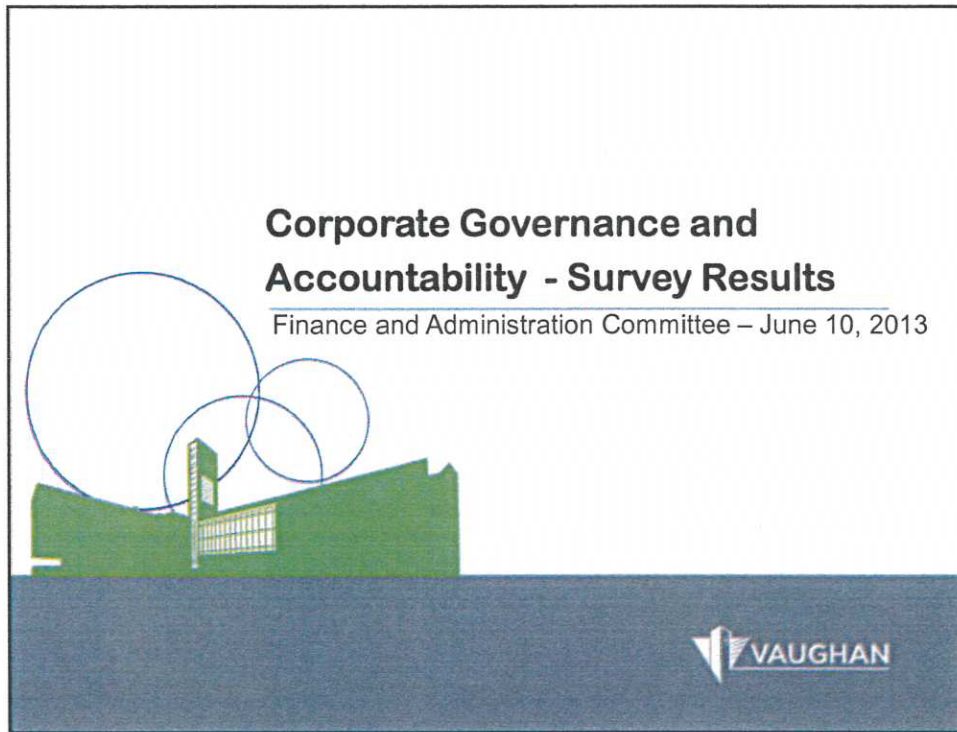
Attachment

Internal Audit Report – Corporate Governance and Accountability

Report prepared by:

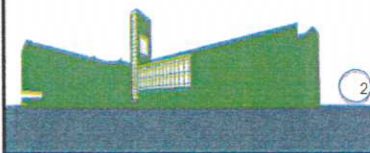
Paul Wallis CMA, CIA, CISA
Operational and Compliance Auditor

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)



Objectives and Purpose

- Obtain an Overview of the Foundational Control Environment [Supported by Governance and Accountability]
- Recognize that Governance and Accountability Evolve as an Organization Changes - What do Staff Think?
- Evaluate Current Action Plans and Potential Future Strategies to Realize Opportunities for Improvement



Survey Overview

- Surveyed All Staff (1310)
- Combination On-Line, Paper Based Approach
- 25 Questions - Linked to [Modified] CICA Governance and Control Model
 - Purpose – Sense of Organization's Direction
 - Commitment – Sense of Organization's Identity and Values
 - Capability and Capacity – Sense of the Organization's Competence
 - Monitoring and Learning – Sense of an Organization's Evolution
 - Ethics and Values – Sense of the Organizations Ethics and Integrity**
- 644 Responses – 49% Response Rate



3



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



4



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	6
60% to 74%	Minimal Concern – Does Not Need Any Immediate Attention.	9
50% to 59%	Possible Emerging Issue - Watchlist	7
Less than 50%	Current Issue or Concern – Immediate Action Required	3

P
[15]

N
[10]

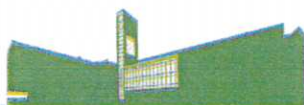


5



High Level Overview

Strengths	Opportunities
Good Understanding of and Training Related to Code of Conduct and Ethical Behavioral Expectations	Continue with Initiatives to Build Employee Trust – Communicate Without Fear of Reprisal
Good Understanding of City's Policies	Provide more Education and Support to Build Better Risk Management Awareness in the City
Good Understanding of City's Mission and Vision	Continue to Strengthen the Internal Resources Needed to Support Sustainable Growth



6



Most Positive/Negative – Top Three

Most Positive Response	Most Negative Response
1. I have a clear understanding of the City's Code of Conduct and Ethics Expectations.	1. The City has Established a Level of Trust Sufficient to Support the Open Flow of Information and Effective Performance.
2. I understand the Mission and Vision for the City of Vaughan.	2. Prompt Communication of Mistakes, Bad News, and other Related Information is Given to those who Need to Know Without Fear of Reprisal.
3. I understand the Policies that Affect my Actions and the Impact they have on the City.	3. I Understand the Risk and Barriers that Prevent the City from Achieving its Objectives and Vision and Believe Management is Taking Appropriate Action to Address Them.



7



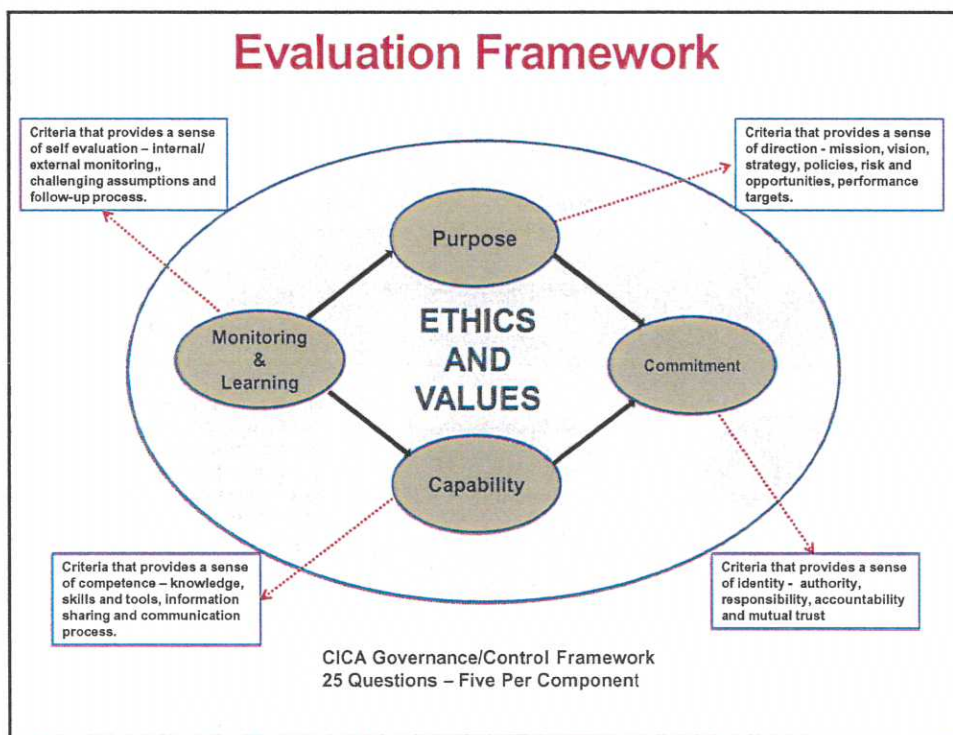
Demographics

- Results Relatively Consistent Across All Commissions
- VFRS Analyzed Separately – Results Significantly Different
- Management/Non-Management Differences Significant
- Gender/Full, Part-Time Differences Insignificant






8





Evaluation Framework Analysis

Framework Criteria	Strengths	Opportunities
 Purpose	Good Understanding of: <ul style="list-style-type: none"> • Mission and Vision • Policies 	Developing: <ul style="list-style-type: none"> • Communicated Performance Targets • Risk Management Awareness
 Commitment	<ul style="list-style-type: none"> • Recognizing Citizen and Stakeholder Input in Supporting Decisions 	<ul style="list-style-type: none"> • Need to Build Trust to Support the Open Flow of Communication
 Capability	<ul style="list-style-type: none"> • Policies and Procedures Help support City's Objectives 	<ul style="list-style-type: none"> • Mechanism to Allow the Communication Without Fear of Reprisal • Resources to Support Sustained Growth



Evaluation Framework Analysis

Framework Criteria	Strengths	Opportunities
Monitoring & Learning	<ul style="list-style-type: none"> Availability of Reliable and Relevant Information 	<ul style="list-style-type: none"> Need to Challenge Current Assumptions [Processes and Objectives]
Ethics and Values	<ul style="list-style-type: none"> Clear Understanding of Code of Conduct and Ethical Expectations 	<ul style="list-style-type: none"> Building Management/Staff Trust - Keeping Promises and Commitments Being able to Raise Concerns to Management Without Fear of Reprisal



11



Current and Planned Strategies

- Further Evolve Performance Indicators **[Purpose]**
- Revise Corporate Performance Management Process **[Capability]**
- Identify and Develop a Leadership Development Program **[Capability]**
- Develop an Integrated Risk Management Strategy **[Purpose]**
- Review and Redesign a Communication Strategy **[Commitment]**



12



Recommendation

Internal Audit Recommends that they be tasked with doing Further Research into Anonymous Reporting Mechanisms and, in Consultation with Senior Management, Report back to Council on Better Industry Practices and a Recommended Approach.

[Capability] [Ethics and Values]



13

FINANCE AND ADMINISTRATION COMMITTEE – JUNE 10, 2013

INTERNAL AUDIT REPORT - CORPORATE GOVERNANCE AND ACCOUNTABILITY

Recommendation

The Director of Internal Audit recommends;

1. That Internal Audit be tasked with doing further research into anonymous reporting mechanisms and, in consultation with senior management, report back to Council on the better industry practices and recommended approach.

Contribution to Sustainability

Internal Audit activities and subsequent reports contribute to the sustainability of the City by providing advice and assurance that controls supporting the effective delivery of services and programs are effective. Longer term sustainability needs the support of good, efficient risk mitigation strategies. Internal Audit can provide support for that sustainability by providing independent advice and assurance.

Economic Impact

There are no direct economic impacts associated with this report.

Communications Plan

Not applicable.

Purpose

To present to the Finance and Administration Committee the Internal Audit Report on Corporate Governance and Control and to provide the results of a survey on the effectiveness of the City's corporate governance and accountability practices.

Background - Analysis and Options

Corporate governance and accountability can be best described as a system by which the City of Vaughan is directed and controlled. The system provides a structure through which objectives are set along with the supporting processes to attain the objectives and monitor performance. Good corporate governance and a well-defined accountability structure are the foundation of organizational control.

As part of the approved 2012 - 2014 Risk Based Audit Plan, Internal Audit, through the use of a survey, performed a review of the corporate governance and accountability structure at the City of Vaughan.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

Not applicable.

Conclusion

Survey results indicate that the City is effective in communicating its mission and vision and code of conduct expectations. Staff have a good understanding of organizational policies and the impact those policies have on their jobs and the City. Opportunities for improvement include expanding initiatives to build organizational trust, improving communication mechanisms to reduce the fear of reprisal, developing a better understanding of risk management and aligning people, tools and resources to sustain City growth and expansion.

Attachment

Internal Audit Report – Corporate Governance and Accountability

Report prepared by:

Paul Wallis CMA, CIA, CISA
Operational and Compliance Auditor

Respectfully submitted,

Paul Wallis CMA, CIA, CISA
Director, Internal Audit



INTERNAL AUDIT REPORT

Corporate Governance and Accountability

April 2013

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

BACKGROUND

Corporate governance and accountability, for the purpose of this review or assessment, can be best described as a system by which the City of Vaughan is directed and controlled. By doing this, the system provides a structure through which objectives are set along with the supporting processes to attain the objectives and monitor performance. Examples of this system include by-law and policy framework, shared ethics and values, strategic direction, legislative compliance, risk management and performance measures and evaluation.

Good corporate governance and a well-defined accountability structure are the foundation of organizational control. Good governance and accountability sets the tone and influences the culture of the City. It has a pervasive influence on the way business activities are structured and respected.

As part of the approved 2012 - 2014 Risk Based Audit Plan, Internal Audit, through the use of a survey, performed a review of the corporate governance and accountability structure at the City of Vaughan. The response rate to the survey was excellent. All staff were given an opportunity to respond to the survey and the overall response rate was close to 50%.

The objective of this survey was to recognize where the City exhibited strong corporate governance and accountability practices yet, at the same time, leverage opportunities for improvement that will help move the City forward.

SUMMARY

The results of the survey indicate that the City has developed some good corporate governance and accountability practices as evidenced by the following survey results.

- Staff has a good understanding of the City's Code of Conduct and are well aware of the ethical behavioral expectations.
- Staff receives training on the City's standards of ethical workplace conduct.
- Staff has a good understanding of the City's policies. Staff also recognizes how the policies affect their actions and the impact the policies have on the City.
- Staff has a good understanding of the City's mission and vision.

The strengths were consistent at both the management and non-management levels.

Based on some of the optional written comments, people felt the City was moving in the right direction while recognizing that rapid growth and resource pressures were taxing existing governance and accountability processes. This is evidenced by the following survey results:

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

- The City needs to expand initiatives to build the level of organizational trust to support the open flow of information. This was more strongly felt at the non-management level as opposed to the management level.
- The City needs to further build an environment where the prompt communication of mistakes, bad news and other related information can be given to those who need to know without fear of reprisal. This was more evident for non-management staff.
- More education is needed to build better organizational awareness of the risks and barriers that could prevent the City from achieving its business objectives. Management had a better understanding of the risks and barriers facing the City but the level was still low.
- Both management and non-management indicated that we needed to either develop or acquire the right people with the right skills, tools and resources to achieve the vision and objectives of the City. Management had a more positive view but the difference from non-management staff was not significant.
- Management agreed that we could develop better managed and well communicated performance targets and measures. Non-management staff was marginally less negative about this although a level of concern was still present.

These results are not necessarily unique to the City of Vaughan. Even though there are no direct comparisons with other cities, the results mirror the challenges and issues that are facing many fast growing and changing organizations.

The overall survey results were generally consistent across all commissions. The exception was Vaughan Fire and Rescue Services (VFRS) where responses tended to be more negative. Excluding the VFRS, survey results slightly improves the overall results but not enough to change the significant strengths and key opportunities for improvement.

There were two areas where the views of management versus those of non-management were significantly different. They included the following:

- **“Management of the City strives to comply with all applicable legislation”.** 90% of management and 59% of non-management either agreed or strongly agreed with this statement. Even though a majority of non-management staff agreed with the statement, there was still a significant degree of difference from management. The reasons for the difference were not clearly identified as no further information was provided in the written comments of the survey.

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

- **“Staff can raise concerns to management without fear of reprisal”.** Non-management staff either disagreed with the statement or were not comfortable responding. Management generally has the view that staff can raise concerns without fear of reprisal. Fear of reprisal was a theme that came from several sources within the survey.

The results of the survey were discussed with the Senior Management Team and it was identified that a number of strategic initiatives, planned or already being implemented could help reduce most of the gaps. These include a number of strategic enablers that support the 2020 Vaughan Vision including;

- Further Evolve Performance Indicators – Includes developing a corporate-wide framework and methodology and a corporate performance measurement dashboard system.
- Revise the Corporate Performance Management Process in Order to Ensure a Quality Work Environment – Includes the review, revision and the recommendation of new processes to improve the staff appraisal process, feedback and engagement, talent management, career opportunities and incentive pay and benefits.
- Identify and Develop a Leadership Development Program (Internal Succession Planning) – Includes developing key competencies for key positions, developing a program and a succession planning framework.
- Develop an Integrated Risk Management Strategy – Includes developing a risk management awareness program, a risk management policy, an integrated risk management framework and the supporting tools and processes.
- Review and Redesign, as Appropriate, a Communication Strategy to Ensure its Effectiveness Throughout the Organization – Include developing both an internal and corporate communication strategy.

Two key areas where gaps need to be reduced include developing initiatives to build employee trust and to provide a mechanism for staff to communicate sensitive issues without the fear of reprisal.

The two statements that received the least positive response from those surveyed were:

- The City has established a level of trust sufficient to support the open flow of information and effective performance.
- Prompt communication of mistakes, bad news and other related information is given to those who need to know without fear of appraisal.

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

Senior management has agreed to work on strategies that will further build staff trust. This work will require further consultations to help develop the right strategies that will best fit the needs and culture of the City.

Staff trust, communication and fear of reprisal are tightly linked. While a longer term strategy and time will be required to further build trust in the City, there are some more immediate solutions that can be considered to address the communication and fear of reprisal issues'

As a result, Internal Audit recommends that mechanisms be identified that will allow staff too anonymously (if desired) report code of conduct/ethics violations or any other action that could be perceived as doing the City harm. There are many approaches to developing a suitable mechanism. These include:

- Staffing and operating an in-house anonymous reporting system.
- Expanding the role of an existing department to implement and operate a reporting mechanism.
- Assigning an "ethics officer" within the organization that could act as a front end intake resource and coordinate follow-up action with responsible departments and commissions.
- Outsourcing the reporting mechanism and operating a 24 hour 365 day service that would help evaluate and categorize issues for easy follow-up by applicable City management.

These solutions all have their advantages and disadvantages, including implementation costs and desired outcomes. As a result, Internal Audit further recommends that they be tasked with doing further research into anonymous reporting mechanisms and, in consultation with senior management, report back to Council on the better industry practices and a recommended approach.

Further information on the survey approach and detailed results are included in the attached section of the report.

A copy of the survey that was provided to all staff is attached as an Appendix to the report.

A follow-up survey is planned for 2015 to assess if current or planned action has resulted in any change.

Author and Director: Paul Wallis CMA, CIA, CISA

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

DETAILED REPORT

1. Purpose, Methodology and Approach

The purpose of the Corporate Governance and Accountability Review and the survey approach was to evaluate the effectiveness of the City of Vaughan's corporate governance and accountability practices. Corporate governance, accountability and the resulting controls are important "foundation" processes that support the success of the City in meeting its goals and objectives. Effective governance, accountability and control help build both employee and citizen trust.

The survey questions were derived from a model developed by the Canadian Institute of Chartered Accountants (CICA). The model, commonly known as the Criteria of Control or CoCo, includes many aspects of effective management such as:

- Defining and Communicating Objectives
- Identifying and Assessing Risks
- Developing Strategic Plans
- Establishing and Measuring Results Against Performance Targets/Indicators
- Ethic and Values

In addition, the model recognizes that effective organizational control is more than just internal financial controls. It also includes those elements that form its governance and accountability structure such as the City's resources, systems, processes, culture, structure and tasks that support people in achieving the City's objectives.

The principle behind the model is best described by the following extracted from the model's documentation.

A person performs a task (or activities), guided by an understanding of its (the tasks) purpose (the objective to be achieved) and supported by the capability (information, resources, supplies and skills). The person will need a sense of commitment to perform the task over time. The person will monitor his or her performance and the external environment to learn how to do the task better and about changes to be made. The same is true of any team or work group. In any organization of people, the essence of good governance, accountability and control is purpose, capability, commitment and monitoring/learning.

The survey questions or statements were linked to a modified version of the CICA model to form an Evaluation Framework. Respondents were asked to evaluate each statement and select if they strongly agreed, agreed, disagreed, strongly disagreed, did not know or were not comfortable answering.

INTERNAL AUDIT REPORT

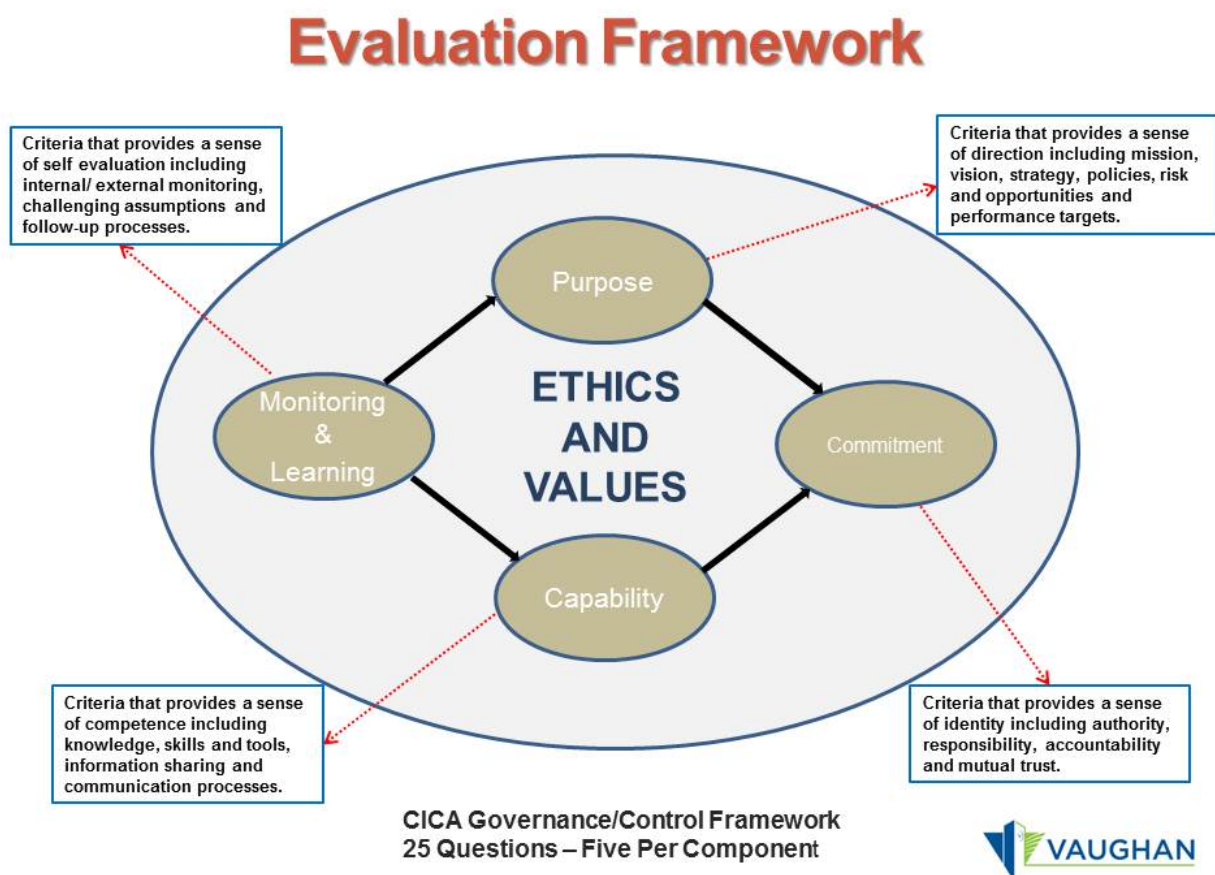
Corporate Governance and Accountability

There were five statements covering each of the following areas for a total of 25 statements.

- Purpose – Sense of the City's Direction
- Commitment – Sense of the City's Identity and Values
- Capability – Sense of the City's Competence and Capacity
- Monitoring and Learning – Sense of the City's Evolution
- Ethics and Values – Sense of the City's Ethics and Integrity

Ethics and Values were added to the model to enable a more in-depth analysis of this component.

A diagram of the Evaluation Framework is provided below.



INTERNAL AUDIT REPORT

Corporate Governance and Accountability

2. Survey Response Rates

All full and part-time staff were given the opportunity to participate in the survey. The survey was offered online and paper based surveys were made available to those not having access to the online survey.

In all, 1,310 management and staff were surveyed and 644 responded representing a 49.1% response rate. Given that all staff were surveyed and the response rate was close to 50%, the results represent a statistically valid survey.

The table below shows the breakdown, by number and percentage of staff, of the response rate by commission. VFRS was treated in its own category because of the large number of staff.

Commission	Total Staff	Survey Responses*	Response Rate %
City Manager	26	23	88%
Fire and Rescue Services (VFRS)	299	101	34%
Community Services	388	201	52%
Engineering and Public Works	189	86	46%
Finance and City Treasurer	76	37	49%
Legal and Administrative Services	141	72	51%
Planning	105	58	55%
Strategic and Corporate Services	86	48	56%

***Note:** Not all respondents identified where they worked so the total does not equal 644. Identified commissions equal 626.

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

3. *Evaluation Criteria*

The evaluation criteria were developed based on the percentage of survey respondents that either strongly agreed or agreed with the each statement.

The table below provides the overall evaluation criteria.

Percentage – Strongly Agree/Agree	Description
75% or more of all respondents either Strongly Agree or Agree with the statement.	No concern and no action is required. This represents a significant strength.
60% and up to and including 74% of all respondents either Strongly Agree or Agree with the statement.	Minimal concern that does not need any immediate attention.
50% and up to and including 59% of all respondents either Strongly Agree or Agree with the statement.	A possible emerging issue that should be closely watched.
Less than 50% of all respondents either Strongly Agree or Agree with the statement.	A current issue where immediate attention should be considered.

Each of the 25 statements were evaluated and scored based on the above criteria. The evaluated statements were broken out by the following demographics:

- Management versus Non-Management Staff
- Bargaining versus Non-Bargaining Staff
- Female versus Male Staff
- Full time versus Part-time Staff

In addition, each of the components of the Evaluation Framework were analyzed. This gave the opportunity to see how the results linked to the CoCo model.

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

4. *Survey Results*

a. Quick View – City Wide

Of the 25 statements, six received an overall strongly agree or agree rating of over 75%.

- I understand the mission and vision for the City of Vaughan.
- I understand the policies that affect my actions and the impact they have on the City.
- I receive training on the City's standards of ethical workplace conduct.
- I have a clear understanding of the City's Code of Conduct and Ethics expectations.
- I have the reliable and relevant information to do my job.
- The City has a clear policy on how I can report potential ethical Code of Conduct violations.

Management and non-management staff across all commissions agreed they had a good understanding of the City's mission, vision, corporate policies, and code of conduct/ethics expectations. From a corporate governance perspective this is a positive sign the City has built a strong control foundation.

However, on the opposite side, three statements received an overall strongly agree or agree rating of less than 50%.

- The City has established a level of trust sufficient to support the open flow of information and effective performance.
- Prompt communication of mistakes, bad news and other related information is given to those who need to know without fear of reprisal.
- I understand the risks and barriers that prevent the City from achieving its objectives and vision and I believe that management is taking appropriate action to address them.

While there was a very positive agreement on the understanding of and training received on the Code of Conduct and ethics expectations, staff felt they could not report any negative information or potential ethical violations because of a lower level of trust and a fear of reprisal. This result was consistent across all commissions and, while more prominent among non-management staff; it still represented an emerging issue among management staff.

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

Four statements received an overall strongly agree or agree rating of between 50 and 55%. These are considered to be the most prominent of the emerging issues identified. Of these four, three had a significant difference between management and non-management responses; the non-management ratings having a less than 50% strongly agree or agree response rate.

- Staff can raise concerns to management without fear of reprisal.
- I trust senior management to keep promises and commitments.
- We have the right people, with the right skills, tools and resources to achieve the vision and objectives of the City.

These results are consistent with the trust and fear of reprisal theme raised earlier.

The fourth emerging issue response rate was consistent between management and non-management.

- As a City, we have manageable and well communicated performance targets and metrics.

b. Demographic Analysis

Results were analyzed between four key demographic components including management versus non-management, bargaining versus non-bargaining, male versus female and full-time staff versus part-time staff. This was done to determine if any trends or patterns emerged from specific groups.

Management/Non-management versus Non-bargaining/Bargaining Staff

Non-management and bargaining staff tended to evaluate the statements less favorably.

Based on the survey questions and the evaluation framework, this would support the conclusion that management and non-bargaining staff tend to view the City's governance and accountability structure and processes as working more favorably than non-management, bargaining staff.

The following two tables show the number of statements by evaluation criteria by both the management versus non-management staff and the bargaining versus non-bargaining staff.

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

Percentage – Strongly Agree/Agree	Number of Statements Management	Number of Statements Non-management
75% or more of all respondents either Strongly Agree or Agree with the statement.	13	5
60% and up to and including 74% of all respondents either Strongly Agree or Agree with the statement.	6	5
50% and up to and including 59% of all respondents either Strongly Agree or Agree with the statement.	5	9
Less than 50% of all respondents either Strongly Agree or Agree with the statement.	1	6

Percentage – Strongly Agree/Agree	Number of Statements Non-Bargaining	Number of Statements Bargaining
75% or more of all respondents either Strongly Agree or Agree with the statement.	14	5
60% and up to and including 74% of all respondents either Strongly Agree or Agree with the statement.	5	3
50% and up to and including 59% of all respondents either Strongly Agree or Agree with the statement.	6	9
Less than 50% of all respondents either Strongly Agree or Agree with the statement.	0	8

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

The most significant differences between management and non-management staff are as follows:

- Management in the City strives to comply with all applicable legislation.
- Staff can raise concerns to management without fear of reprisal.
- My department or program area learns from my mistakes.
- My department or program area receives and provides information that is necessary to support effective decision making.
- My department or program area takes into account citizen or stakeholders inputs in its decisions and action.
- My actions and those of my department or business unit are aligned with the rest of the organization.

The most significant differences between non-bargaining and bargaining staff are as follows:

- Management in the City strives to comply with all applicable legislation.
- Staff can raise concerns to management without fear of reprisal.
- My actions and those of my department or business unit are aligned with the rest of the organization.
- The City's integrity and ethical values are shared and practiced.
- My department or program area learns from my mistakes.
- I trust senior management to keep promises and commitments.

The results are reasonably consistent between the two groups with four of the six statements matching. The difference with the other two statements may be attributed to how the respondents completed the demographic information. Although this is a possibility, the overall themes from both groups remain consistent.

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

Gender Analysis

The table below shows the number of statements by evaluation criteria and gender.

Percentage – Strongly Agree/Agree	Number of Statements Male	Number of Statements Female
75% or more of all respondents either Strongly Agree or Agree with the statement.	6	8
60% and up to and including 74% of all respondents either Strongly Agree or Agree with the statement.	7	9
50% and up to and including 59% of all respondents either Strongly Agree or Agree with the statement.	7	5
Less than 50% of all respondents either Strongly Agree or Agree with the statement.	5	3

The survey results indicate that females tend to strongly agree or agree with the statements more positively.

The two additional statements that males evaluated as strongly agree/agree less than 50% are:

- I trust senior management to keep promises and commitments.
- We have the right people, with the right skills, tools and resources to achieve the visions and objectives of the City.

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

Full Time versus Part-time Staff

Seventy-four part-time staff responded to the survey and the number of strongly agree/agree responses were more than those of full time staff. This is highlighted in the following table.

Percentage – Strongly Agree/Agree	Number of Statements Full Time	Number of Statements Part-Time
75% or more of all respondents either Strongly Agree or Agree with the statement.	5	8
60% and up to and including 74% of all respondents either Strongly Agree or Agree with the statement.	10	12
50% and up to and including 59% of all respondents either Strongly Agree or Agree with the statement.	6	5
Less than 50% of all respondents either Strongly Agree or Agree with the statement.	4	0

Even though part-time staff did not have any strongly agree/agree responses below 50%, the three most significant issues identified by them are consistent with those identified by the City as a whole.

- The City has established a level of trust sufficient to support the open flow of information and effective performance.
- Prompt communication of mistakes, bad news and other related information is given to those who need to know without fear of reprisal.
- I understand the risks and barriers that prevent the City from achieving its objectives and vision and I believe that management is taking appropriate action to address them.

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

c. Evaluation Framework Analysis

The survey results were matched to the five components of the Evaluation Framework. The key strengths and the most significant gaps for each of the five components are highlighted below.

Evaluation Framework Component	Strength(s)	Gap(s) Opportunity for Improvement
Purpose (Sense of Direction)	Good upstanding of City's mission, vision and strategy. Good understanding of City's policies.	Developing manageable and well communicated performance targets. Better understanding of risks and barriers facing the City.
Commitment (Sense of Identity and Values)	Takes into account citizen and other stakeholder inputs in its decisions and actions.	Further building trust to support the open flow of communication and information.
Capability (Sense of Competence and Capacity)	The City's policies and procedures help support the achievement of the City's objectives.	Providing a mechanism so that bad news and mistakes can be communicated without fear of reprisal. Further developing capacity so that the City has the resources, to support sustained growth.
Monitoring and Learning (Sense of the City's Evolution)	Availability of reliable and relevant information.	Need for more staff to challenge current assumptions that support existing objectives (linked to enhanced risk awareness and willingness to communicate without fear of reprisal).

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

Evaluation Framework Component	Strength(s)	Gap(s) Opportunity for Improvement
Ethics and Values (Sense of the City's Ethics and Integrity)	Clear understanding of Code of Conduct and ethical expectations. Training supporting the Code of Conduct and ethical expectations.	Trusting senior management to keep promises and commitments. Confidence that staff can raise concerns to management without fear of reprisal.

d. Optional Comments

Survey respondents were given the opportunity to provide written comments to an optional question on the survey. The question was:

“In your opinion, what are the most significant challenges facing the City of Vaughan?”

Of the 644 survey respondents, 288 provided comments. Although comments were wide- ranging some key themes emerged from the responses.

The following were identified as the most prominent themes:

- Being able to sustain the growth in the City with existing resources.
- Traffic congestion and the need for better transportation solutions.
- Building management/staff trust.

Some staff also recognized that the City was heading in the right direction and that improvements are ongoing. Most comments were directed at what survey respondents thought were the most critical issues the City faces as it continues to grow.

APPENDIX

Accountability and Governance Survey | 2013

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

Welcome to the Internal Audit Survey on Governance and Accountability

Governance and Accountability are key foundation components vital in building a City that shares the trust of both citizens and staff.

One of the more important roles of a modern internal audit function is to evaluate the effectiveness of an organization's Governance and Accountability framework. The most effective way of doing this is to ask you; the people that make the City work!

The purpose of the survey is to gather information to help assess the key foundational activities that help support the City's business objectives. Each question has been designed to provide information on the following topics:

- By-Law and Policy Framework
- Shared Ethics and Values
- Performance Measures and Evaluation
- Legislative Compliance
- Risk Management
- Strategic Direction
- Governing Body and Management Structures

Please answer the 25 questions as honestly as you can. We recognize that there may be some questions you may not be able to answer or there may be some where you can answer but do not feel comfortable in doing so. To address these situations, the survey has been designed to collect this information. Answers to all questions are encouraged and "Don't Know" or "Not Comfortable" responses are equally valuable in assessing results.

All responses will be treated with utmost confidentiality. The survey will be administered exclusively by Internal Audit and only summary information will be reported. To support the objective of privacy and confidentiality, we are using an independent outside service provider to collect and store survey results.

Results of the survey will be published and made available through your individual management teams. Only summary results and trends will be compiled and shared. This way, we can use the results to help identify any potential issues that may need further follow-up.

Your support in completing this survey is highly appreciated.

Thank You

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

The first section of the survey collects important background information. Please check off the appropriate boxes. If you are uncomfortable checking off a box, please leave blank.

1. Please indicate the Commission you work in.	
<input type="checkbox"/>	City Manager's Office
<input type="checkbox"/>	Fire and Rescue Services
<input type="checkbox"/>	Community Services
<input type="checkbox"/>	Finance and City Treasurer
<input type="checkbox"/>	Legal and Administrative Services
<input type="checkbox"/>	Planning
<input type="checkbox"/>	Engineering and Public Works
<input type="checkbox"/>	Strategic and Corporate Services

2. Please indicate your position status.	
<input type="checkbox"/>	Full Time
<input type="checkbox"/>	Part-Time
<input type="checkbox"/>	Contract/Casual/Temporary

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

3. Gender

☐

Female

☐

Male

4. Please indicate if you belong to a bargaining unit.

☐

Yes

☐

No

5. Please identify your role in the City.

☐

Management (Supervisor or Team Leader, Manager, Director, Executive Director, Commissioner or City Manager)

☐

Non-Management (Administrative/Clerical Support, Specialist or Technician (Not a Manager, Supervisor or Team Leader, Team Member or Front Line Staff))

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

6. Please indicate your years of service in the City.	
<input type="checkbox"/>	Less than 1 year
<input type="checkbox"/>	More than 1 year but less than 2 years
<input type="checkbox"/>	2 to 5 years
<input type="checkbox"/>	6 to 10 years
<input type="checkbox"/>	11 to 15 years
<input type="checkbox"/>	16 to 20 years
<input type="checkbox"/>	21 years or longer

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

Please indicate in the boxes below the one response that best describes your reaction to each statement.

Key: SA=Strongly Agrees A=Agrees D=Disagrees SD=Strongly Disagrees DK=Don't Know

If you are not comfortable with any question please check the "NC" box

Statement	SA	A	D	SD	DK	NC
1. I understand the mission and vision for the City of Vaughan.						
2. I understand how my work group's business objectives and outcomes align with Council priorities and Vaughan Vision 2020.						
3. I understand the policies that affect my actions and the impact they have on the City.						
4. As a City, we have manageable and well communicated performance targets and metrics.						
5. Accountability, authority and responsibility at the City is clearly defined and that actions are taken by the appropriate people.						
6. Staff can raise concerns to management without fear of reprisal.						
7. 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.						
8. Management in the City strives to comply with all applicable legislation.						

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

Statement	SA	A	D	SD	DK	NC
9. I trust senior management to keep promises and commitments.						
10. I have the reliable and relevant information to do my job.						
11. The City's integrity and ethical values are shared and practiced.						
12. My department or program area learns from its mistakes.						
13. I receive training on the City's standards of ethical workplace conduct.						
14. In my work area, we are effective in monitoring performance to targets and indicators.						
15. The City has established a level of trust sufficient to support the open flow of information and effective performance.						
16. Prompt communication of mistakes, bad news and other related information is given to those who need to know without fear of reprisal.						
17. I have a clear understanding of the City's Code of Conduct and Ethics expectations.						
18. Our policies and procedures help me and my group or team ensure achievement with the City's objectives.						

INTERNAL AUDIT REPORT

Corporate Governance and Accountability

Statement	SA	A	D	SD	DK	NC
19. My department or program area receives and provides information that is necessary to support effective decision making.						
20. When appropriate, my department or program area challenges the assumptions behind our objectives.						
21. We have the right people, with the right skills, tools and resources to achieve the vision and objectives of the City.						
22. The City has a clear policy on how I can report potential ethical or Code of Conduct violations.						
23. I have sufficient resources, tools and time, supported by the appropriate administrative structure, to accomplish my objectives.						
24. My department or program area takes into account citizen or stakeholder inputs in its decisions and actions.						
25. My actions and those of my department or business unit are aligned with the rest of the organization.						

Corporate Governance and Accountability

In your opinion, what are the most significant challenges facing the City of Vaughan?

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

Page 25