



Final Audit Follow-Up

Report #AR-2302
April 26, 2023

Period Ending March 31, 2023

Audit of the City's Ethical Culture Issued May 6, 2021

Summary from Original Report #2103

We conducted this audit to determine: 1) whether City employees understood the City's ethical values and could apply those values in their daily activities, and 2) the extent of compliance with key ethics-related policies and procedures. Additionally, we evaluated the culture and ethical environment of the City. The evaluation was based on principles established within the Internal Control Guidelines, Administrative Policy and Procedure 630 (APP 630). The scope of our audit included the years 2009-2019, with specific policy and documentation reviews for fiscal year 2019.

As part of our audit, we conducted a survey of City employees to assess the City's ethical culture and the results of the survey indicate City employees could apply ethical values to daily activities. We also noted the City has many of the components recommended for a comprehensive ethics and compliance program, including a code of ethics, oversight and compliance activities for ethical behavior, required ethics training, processes for reporting violations of the City's Ethics Code, and required annual reviews of the City's Ethics Code and critical policies by employees. However, we noted the following areas could further improve the City's ethics program:

1. establishing Anti-Fraud and Whistleblower policies,
2. continuing communication of management's expectations for employees to conduct themselves in an ethical manner,
3. codifying management's directions regarding critical policy review and annual ethics training,
4. implementing review procedures for outside employment forms,
5. documenting reasons when conflict of interest forms are not signed by procurement evaluation committee members, and
6. revising the Purchasing Procedures Manual to include vendor ethical standards.

A total of 10 action plan steps were established by management in response to our audit recommendations; 9 steps were completed in a prior period, and 1 was completed in this period with no further action required. This status report is the 2nd and final follow-up of this audit.

Complete
1

In Progress
0

Needs Attention
0

Action Plan Step 3.2

If existing directives related to annual ethics training and critical policy review are continued, they will be codified into policy or procedure. Such policy or procedure will identify training requirements, penalties (if any), and specify how the policy or procedure applies to employees governed by collective bargaining agreements or step progression plans. If the directives are not continued, they will be formally withdrawn.

Action Plan Status: COMPLETE

The approved cost of living adjustments (COLA) has been codified in *APP Personnel Policy, Chapter 704 – Compensation*, and will be reflected in the 2023 Annual Critical Policy.

Conclusion

Management developed 10 action plan steps to address the recommendations in the original audit report #2103. As of the end of this follow-up period, March 31, 2023, management successfully completed all 10 steps.

Appointed Official's Response

City Manager:

I appreciate the work the Inspector General continues to do in supporting the ethical culture within the City of Tallahassee. I am pleased that we have completed the final outstanding action item. My staff looks forward to continuing to work with the Inspector General on these critical issues.

Acknowledgements

We appreciate the cooperation and assistance provided by management and staff during this audit follow-up.

Project Team

Engagement conducted by: Chathya Chandler, MaCC - Senior Auditor
Engagement reviewed by: Jane Sukuro, CPA, CIA, CIG - Deputy Inspector General
Approved by: Dennis R. Sutton, CPA, CIA, CIG - Inspector General

Statement of Accordance

The Office of Inspector General's mission is to advance integrity, accountability, transparency, and efficiency and effectiveness within City government by providing professional, independent, and objective audit and investigative services.

We conducted this audit follow-up in conformance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. Those standards require we plan and perform the audit follow-up to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

Please address inquiries regarding this report to the Office of the Inspector General at (850) 891-8397 or inspector.general@talgov.com.

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