EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 21, 2015

Item 1, Report No. 8, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on April 21, 2015.

1   INTERNAL AUDIT REPORT – CORPORATE GOVERNANCE AND ACCOUNTABILITY

The Finance, Administration and Audit Committee recommends:

1)   **That the recommendation contained in the following report of the Director of Internal Audit, dated April 13, 2015, be approved; and**

2)   **That the presentation by the Director of Internal Audit and C1, presentation material entitled: "*Corporate Governance and Accountability – Survey Results*", dated April 13, 2015, be received.**

Recommendation

The Director of Internal Audit recommends:

1.   That the Internal Audit Report on Corporate Governance and Accountability be received.

Contribution to Sustainability

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

Background - Analysis and Options

As follow-up to the 2013 Governance and Accountability Survey, Internal Audit used the same survey method to determine if staff perceptions on governance and accountability had changed over the past two years. As was the case in 2013, 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 similar to 2013, close to 50%.

Overall, the results of the 2015 Governance and Accountability Survey indicate a slightly more positive view of governance and accountability in the City in comparison with the 2013 results.

Around 90 percent of Survey respondents continue to believe that they understand the City's Code of Conduct and that they also receive appropriate training on the City's ethical workplace

conduct. In addition, 90 percent believe they understand the City's mission and vision and that they have a good understanding of City policies and how they impact their work.

Even though perceptions have improved since 2013, there remain two key themes that require focus to further strengthen governance and accountability.

- **Further build organizational trust** – close to one third of all survey respondents do not believe they can raise concerns to management without fear of reprisal. Survey respondents also believe that the City has not established a level of trust sufficient to support the open flow of communication and effective performance.   When comparing management to non-management, management believed more strongly that the city had not established a level of trust sufficient to support the open flow of information and effective performance.

- **Resource to maintain sustainable growth** – close to one third of all survey respondents do not believe we have enough tools and time, supported by the appropriate administrative structure, to accomplish their objectives. These issues were more prominent among management staff.

The results of the survey were discussed with the Senior Management Team. They have 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. A longer-term strategy and patience will be required to further build trust in the City.

Management will also continue to work with Council on the resourcing issues. This will be done through the annual budget process. Management will continue to explore different ways of optimizing resources to build capacity. However, investment in internal infrastructure, particularly in technology, people and process, will be needed to maximize efficiency and effectiveness.

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

Overall, the comments reflect a City in transition. With current growth and that expected in the future, survey respondents are feeling the pressure. This view is not that different from the results of the previous survey. While the results do identify issues, the number of survey respondents indicates staff's dedication to the City by their willingness to express their views and offer areas for improvement.

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.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 21, 2015

Item 1, Finance Report No. 8 – Page 3

Attachment

1.   Internal Audit Report – Corporate Governance and Accountability – 2015

Report prepared by:

Paul Wallis CPA, CMA CIA CISA CRMA
Director, Internal Audit

(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.)

Corporate Governance and Accountability - Survey Results

Finance, Administration and Audit Committee – April 13, 2015

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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?

- Follow-up to 2013 Survey

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Why is Internal Audit Doing This?

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Survey Overview

- Surveyed All Staff (1264)

- Combination On-Line, Paper Based Approach

- 25 Questions - Linked to [Modified] CICA Governance and Control Model

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

- 622 Responses – 49% Response Rate

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

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Evaluation Criteria/Results – City-Wide

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

P
[15] - 2013
[17] - 2015

N
[10] - 2013
[8] - 2015

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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	Continue to Strengthen the Internal Resources Needed to Support Sustainable Growth
Good Understanding of City's Mission and Vision	

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Most Positive/Negative – Top Three

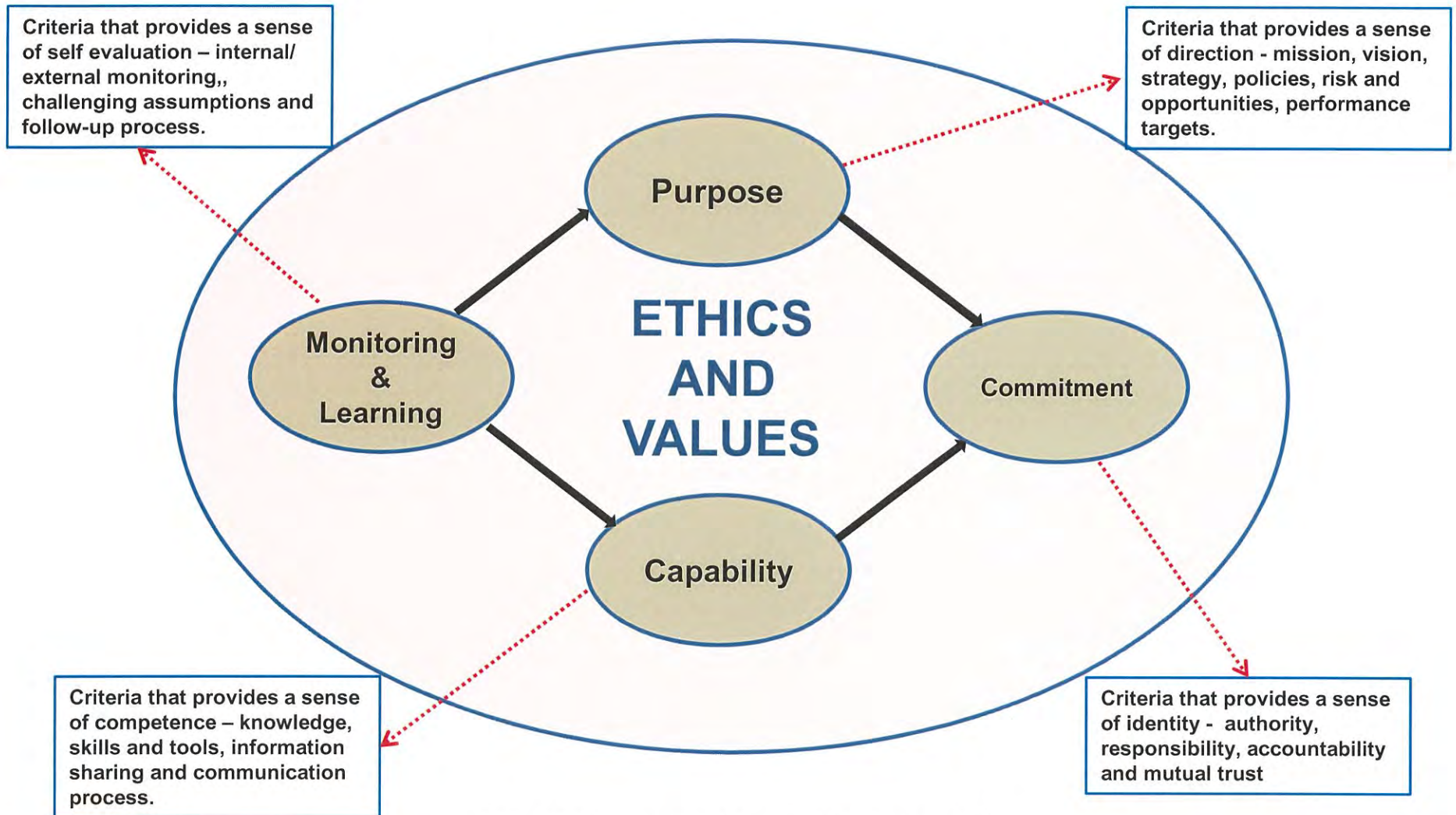| Most Positive Response	Most Negative Response
1. I have a clear understanding of the City's Code of Conduct and Ethics Expectations. [93% - Strongly Agree/Agree]	1. Staff can raise concerns to Management without Fear of Reprisal. [35% Strongly Disagree/Disagree]
2. I understand the Policies that Affect my Actions and the Impact they have on the City. [92% - Strongly Agree/Agree]	2. The City has Established a Level of Trust sufficient to support the open flow of Information and Effective Performance. [33% Strongly Disagree/Disagree]
3. I understand the Mission and Vision for the City of Vaughan. 3. I receive training on the City's Standards of Ethical Workplace Conduct [87% Strongly Agree/Agree]	3. I have sufficient Resources, Tools and Time, supported by the appropriate Administrative Structure, to accomplish my Objectives. 3. Prompt Communication of Mistakes, Bad News and other Related Information is given to those who need to know without Fear of Reprisal. [32% Strongly Disagree/Disagree]

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Avoidance Responses – Top Three

Most "Not Comfortable"	Most "Don't Know"
1. We have the right People, with the Right Skills, Tools and Resources to Achieve the Vision and Objectives of the City [7%]	1. When appropriate, my Department or Program Area Challenges the Assumptions behind our Objectives [23%]
2. I Trust Senior Management to keep Promises and Commitments [6%]	2. 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 [20%]
3. The City's Integrity and Ethical Values are Shared and Practiced [5%]	3. My actions and those of my Department or Business Unit are Aligned with the rest of the Organization [17%]

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Evaluation Framework

Criteria that provides a sense of self evaluation – internal/ external monitoring,, challenging assumptions and follow-up process.

Criteria that provides a sense of direction - mission, vision, strategy, policies, risk and opportunities, performance targets.

Purpose

Monitoring & Learning

ETHICS AND VALUES

Commitment

Capability

Criteria that provides a sense of competence – knowledge, skills and tools, information sharing and communication process.

Criteria that provides a sense of identity - authority, responsibility, accountability and mutual trust

CICA Governance/Control Framework
25 Questions – Five Per Component

Evaluation Framework Analysis

Framework Criteria	Strengths	Opportunities
Purpose	Good Understanding of: • Mission and Vision • Policies	• Communicating Performance Targets • Continuing Risk Management Awareness
Commitment	• Recognizing Citizen and Stakeholder Input in Supporting Decisions	• Need to Build Trust to Support the Open Flow of Communication
Capability	• Policies and Procedures Help support City's Objectives	• Mechanism to Allow the Communication Without Fear of Reprisal • Resources to Support Sustained Growth

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Evaluation Framework Analysis

Framework Criteria	Strengths	Opportunities
Monitoring & Learning	• My Department or Program Area Learns from its Mistakes	• Need to Challenge Current Assumptions [Processes and Objectives]
Ethics and Values	• Clear Understanding of Code of Conduct and Ethical Expectations	• Building Management/Staff Trust - Keeping Promises and Commitments • Being able to Raise Concerns to Management Without Fear of Reprisal

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Strategies

Trust	Resources
• Long Term Strategy Needed [Incrementally Applied] • Senior Management to Develop Strategies that Reflect Needs and Culture of City	• Continue to Apply Resource Requirements through Budget Process • Longer Term Investment in Internal Infrastructure Needed to Capitalize on Future Efficiency and Effectiveness

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Conclusion

- Strong Dedication From Staff – Willing to Participate in Survey

- City in Transition – Growth Outstripping Resources

- Building Trust Takes Time!!

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INTERNAL AUDIT REPORT – CORPORATE GOVERNANCE AND ACCOUNTABILITY

Recommendation

The Director of Internal Audit recommends:

1. That the Internal Audit Report on Corporate Governance and Accountability be received.

Contribution to Sustainability

Internal Audit activities and 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

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Communications Plan

Not applicable.

Purpose

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

Background - Analysis and Options

As follow-up to the 2013 Governance and Accountability Survey, Internal Audit used the same survey method to determine if staff perceptions on governance and accountability had changed over the past two years. As was the case in 2013, 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 similar to 2013, close to 50%.

Overall, the results of the 2015 Governance and Accountability Survey indicate a slightly more positive view of governance and accountability in the City in comparison with the 2013 results.

Around 90 percent of Survey respondents continue to believe that they understand the City's Code of Conduct and that they also receive appropriate training on the City's ethical workplace conduct. In addition, 90 percent believe they understand the City's mission and vision and that they have a good understanding of City policies and how they impact their work.

Even though perceptions have improved since 2013, there remain two key themes that require focus to further strengthen governance and accountability.

• **Further build organizational trust** – close to one third of all survey respondents do not believe they can raise concerns to management without fear of reprisal. Survey respondents also believe that the City has not established a level of trust sufficient to support the open flow of communication and effective performance. When comparing management to non-management, management believed more strongly that the city had not established a level of trust sufficient to support the open flow of information and effective performance.

- **Resource to maintain sustainable growth** – close to one third of all survey respondents do not believe we have enough tools and time, supported by the appropriate administrative structure, to accomplish their objectives. These issues were more prominent among management staff.

The results of the survey were discussed with the Senior Management Team. They have 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. A longer-term strategy and patience will be required to further build trust in the City.

Management will also continue to work with Council on the resourcing issues. This will be done through the annual budget process. Management will continue to explore different ways of optimizing resources to build capacity. However, investment in internal infrastructure, particularly in technology, people and process, will be needed to maximize efficiency and effectiveness.

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

Overall, the comments reflect a City in transition. With current growth and that expected in the future, survey respondents are feeling the pressure.   This view is not that different from the results of the previous survey. While the results do identify issues, the number of survey respondents indicates staff's dedication to the City by their willingness to express their views and offer areas for improvement.

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.

Attachment

1.   Internal Audit Report – Corporate Governance and Accountability - 2015

Report prepared by:

Paul Wallis CPA, CMA CIA CISA CRMA
Director, Internal Audit

Respectfully submitted,

Paul Wallis CPA, CMA CIA CISA CRMA
Director, Internal Audit

INTERNAL AUDIT REPORT

Corporate Governance and Accountability - 2015

April 2015

INTERNAL AUDIT REPORT

Corporate Governance and Accountability - 2015

BACKGROUND

Corporate governance and accountability, for the purpose of this survey, can be best described as the 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. 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 and effective risk management. Good governance and accountability set the tone and influence the culture of the City. They have a pervasive influence on the way business activities are structured and respected.

As follow-up to the 2013 Governance and Accountability Survey, Internal Audit used the same survey method to determine if staff perceptions on governance and accountability had changed over the past two years. As was the case in 2013, 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 similar to 2013, close to 50%.

Aside from identifying patterns of improvement and emerging trends, the objective of this survey was to recognize where the City exhibits strong corporate governance and accountability practices yet, at the same time, leverage opportunities for improvement that will help move the City forward.

SUMMARY

Overall, the results of the 2015 Governance and Accountability Survey indicate a slightly more positive view of governance and accountability in the City in comparison with the 2013 results. Of the 25 statements in the survey, 23 of them had an increase of Strongly Agree/Agree responses while the remaining two stayed the same.

A comparison between the 2015 and 2013 results is highlighted in Attachment 1 [Page 17].

The overall responses to the 2015 survey are highlighted in Attachment 2 [Page 21].

The overall results of the current survey indicate that the City has maintained some strong corporate governance and accountability practices as evidenced by the following results.

- 93% of all survey respondents believe they have a good understanding of the City's Code of Conduct and are well aware of the ethical behavioral expectations. A further 87% believe they receive the appropriate training on the City's ethical workplace conduct.

- 92% of all survey respondents believe they have a good understanding of the City's policies and they recognize how the policies affect their actions and the impact the policies have on the City.

Corporate Governance and Accountability - 2015

- 87% of all survey respondents believe they understand the City's mission and vision.

These strengths were consistent across all commissions at both the management and non-management levels.

Even though perceptions have improved since 2013, there remain two key themes that require focus to further strengthen governance and accountability.

Further Build Organizational Trust – 31% of all survey respondents do not believe they can trust senior management to keep promises and commitments. Another 33% do not believe the City has established a level of trust to support the open flow of information and effective performance. Even though still high, both of the percentages are lower than 2013 indicating a slight improvement in respondents' views.

Another element of trust is being confident that critical issues can be raised without fear of reprisal. Results from the 2015 survey indicate little change from the 2013 survey. 35% of respondents do not believe they can raise concerns to management without fear of reprisal. This is a slight increase over the 2013 survey result. 33% of respondents do not believe they can raise any bad news or mistakes to those that need to know without the fear of reprisal.

The issue of trust was more prevalent among non-management staff than management. However, there was one area where management viewed the issue of trust more negatively. 35% of all management respondents do not believe that the City has established a level of trust sufficient to support the open flow of information and effective performance. This compares with 32% for non-management staff and 33% of all survey respondents.

Trust is a major foundational component of good governance and accountability. Continued focus needs to be maintained to build strength in this area.

Resourcing to Maintain Sustainable Growth – 31% of all survey respondents do not believe we have the right people, with the right skills, tools and resources to achieve the vision and objectives of the City. A further 32% personally believe they do not have sufficient tools and time, supported by the appropriate administrative structure, to accomplish their objectives.

Both of these results are a slight improvement over the 2013 survey but still indicate a major concern.

From a management perspective, 41% of all management respondents believe they do not have sufficient tools and time, supported by the appropriate administrative structure, to accomplish their objectives. This was clearly the most significant concern of City management.

Corporate Governance and Accountability - 2015

Survey respondents were given the option to provide written comments. Respondents were asked to give their opinion on the most significant issues facing the City and to make any other additional comments they felt might be relevant.

Of the 622 respondents, 289 or 46% gave written comments. Comments covered a variety of topics but of the 289, 145 or 50% were related around the areas of staff, growth and management.

Three main themes were extracted from the comments. Some of the themes echoed those previously identified in the main survey statements.

Survey respondents commented that:

- growth would be difficult to sustain given the current resources. The absence of technology solutions, working in silos and the volume of paperwork and process were cited as concerns. Keeping up with citizen demands was also mentioned.

- trust is of prime concern throughout the organization. The absence of management support was raised, particularly around communication between management and non-management staff.

- better clarification of the role and responsibilities between management and Council needs to be established. While some policies were clear on the roles, others were either not clear or not consistently applied. Supporting this comment was the need for stronger accountability to policies and City objectives by both management and non-management staff.

Traffic and congestion was also mentioned frequently as a significant challenge for the City.

Overall, the comments reflect a City in transition. With current growth and that expected in the future, survey respondents are feeling the pressure. This view is not that different from the results of the previous survey. While the survey results do identify issues, the number of survey respondents indicates staff's dedication to the City by their willingness to express their views and offer areas for improvement.

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 results of the survey were discussed with the Senior Management Team.

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

Corporate Governance and Accountability - 2015

The two statements that received the least positive response and a strong negative response 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 repraisal.

These results are similar to the 2013 survey.

As a result of the 2013 survey, Internal Audit initiated an Anonymous Reporting System to provide an option for staff to communicate issues of concern without the fear of reprisal. Although 2015 survey results indicate a slight improvement, use of the Anonymous Reporting System has been slow to evolve. The system is new and having trust in it will take time. In the meantime, continued work will be done to improve awareness of the system's advantages.

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. A longer-term strategy and patience will be required to further build trust in the City.

Management will continue to work with Council on the resourcing issues. This will be done through the annual budget process. Management will continue to explore different ways of optimizing resources to build capacity. However, investment in internal infrastructure, particularly in technology, people and process, will be needed to maximize efficiency and effectiveness.

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 [Page 24]

Another follow-up survey is planned for 2017 to assess if current or planned action has resulted in any change and to determine any other emerging trends.

Auditors: Catherine Atkari CIA CFE and Paul Wallis CPA,CMA CIA CISA CRMA

Author and Director: Paul Wallis CPA,CMA CIA CISA CRMA

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.
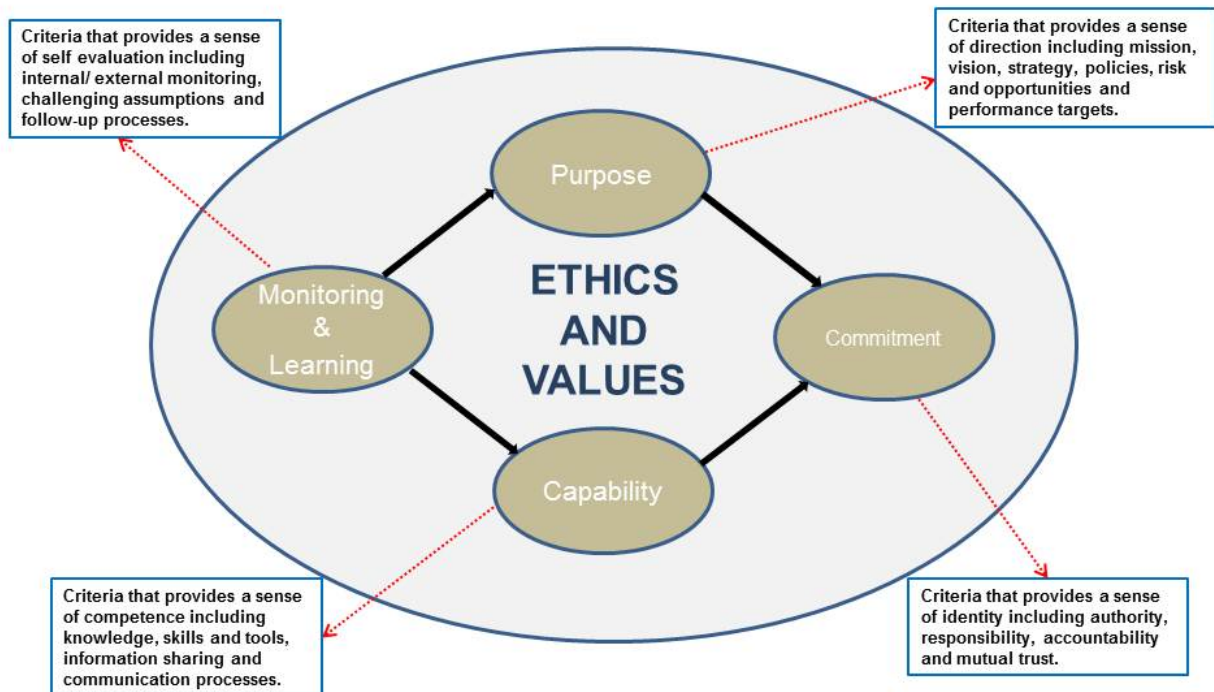

There were five statements covering each of the following areas for a total of 25 statements.

- 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.

Evaluation Framework

Criteria that provides a sense of self evaluation including internal/ external monitoring, challenging assumptions and follow-up processes.

Criteria that provides a sense of direction including mission, vision, strategy, policies, risk and opportunities and performance targets.

Purpose

Monitoring & Learning

ETHICS AND VALUES

Commitment

Capability

Criteria that provides a sense of competence including knowledge, skills and tools, information sharing and communication processes.

Criteria that provides a sense of identity including authority, responsibility, accountability and mutual trust.

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

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2. *Survey Response Rates*

The survey was offered online and paper based surveys were made available to those not having access to the online survey.

In all, 1,264 management and staff were surveyed and 622 responded representing a 49.2% response rate. Given that all staff were surveyed and the response rate was close to 50%, the results represent a statistically valid survey.

The response rate by number, percentage of staff and commission is shown below.

Commission	Total Staff	Survey Responses	Response Rate
City Manager	6	5	83%
Fire and Rescue Services (VFRS)	312	177	57%
Executive Director's Office	172	67	39%
Engineering and Public Works	252	150	60%
Finance and City Treasurer	73	43	59%
Legal and Administrative Services	125	59	47%
Planning	116	41	35%
Strategic and Corporate Services	208	74	36%
Total	1264	616[1]	49%

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[1] **Not all respondents identified their commission therefore the total does not equal 622. Identified commissions equal 616.**

3. *Evaluation Criteria*

The evaluation criteria were developed based on the percentage of survey respondents that either strongly agreed or agreed with 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.	An 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 was 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
- Male versus Female
- Full-Time versus Part-Time

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

4. *Survey Results*

   a. **Quick View – City Wide**

   Of the 25 statements, seven received an overall strongly agree or agree rating of over 75%. Of the seven, six were the same as the 2013 survey as highlighted below.

   - 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 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.

   The additional one identified in the 2015 survey was:

   - Our policies and procedures help me and my group or team ensure achievement with City objectives.

   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 one positive indicator towards supporting a strong governance and accountability foundation.

   On the opposite side, one statement received an overall strongly agree or agree rating of less than 50%.

   - Prompt communication of mistakes, bad news and other related information is given to those who need to know without fear of reprisal.

   This represents an improvement over the 2013 survey where three statements received an overall strongly agree or agree rating of less than 50%.

   Of the other two statements that were below 50% in 2013, the 2015 results are highlighted below.

   - The City has established a level of trust sufficient to support the open flow of information and effective performance [50%].

- 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. [54%]

While there was a very positive agreement on the understanding of and training received on the Code of Conduct and ethics expectations, staff still feel they cannot 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 as an emerging issue among management staff.

b. Demographic Analysis

Results were analyzed between four demographic components including management versus non-management, bargaining versus non-bargaining 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 management versus non-management staff and bargaining versus non-bargaining staff.

Management versus Non-Management

Percentage – Strongly Agree/Agree	Management	Non-Management
75% or more of all respondents either Strongly Agree or Agree with the statement.	**13 [2015]** **13 [2013]**	**6 [2015]** **5 [2013]**

Corporate Governance and Accountability - 2015

Percentage – Strongly Agree/Agree	Management	Non-Management
60% and up to and including 74% of all respondents either Strongly Agree or Agree with the statement.	7 [2015] 6 [2013]	10 [2015] 5 [2013]
50% and up to and including 59% of all respondents either Strongly Agree or Agree with the statement.	5 [2015] 5 [2013]	7 [2015] 9 [2013]
Less than 50% of all respondents either Strongly Agree or Agree with the statement.	0 [2015] 1 [2013]	2 [2015] 6 [2013]

Non-Bargaining versus Bargaining

Percentage – Strongly Agree/Agree	Non-Bargaining	Bargaining
75% or more of all respondents either Strongly Agree or Agree with the statement.	14 [2015] 14 [2013]	6 [2015] 5 [2013]
60% and up to and including 74% of all respondents either Strongly Agree or Agree with the statement.	9 [2015] 5 [2013]	8 [2015] 3 [2013]
50% and up to and including 59% of all respondents either Strongly Agree or Agree with the statement.	2 [2015] 6 [2013]	5 [2015] 9 [2013]
Less than 50% of all respondents either Strongly Agree or Agree with the statement.	0 [2015] 0 [2013]	6 [2015] 8 [2013]

The trend for both management/non-management and bargaining/non-bargaining staff is slightly more positive in the 2015 survey. While this is good emerging trend, issues around trust and resourcing are still viewed negatively.

The three most negative responses from management were [150 respondents]:

- I have sufficient resources, tools and time, supported by the appropriate administrative structure, to accomplish my objectives [41% Disagree/Strongly Disagree].

- The City has established a level of trust sufficient to support the open flow of information and effective performance [35% Disagree/Strongly Disagree].

- We have the right people, with the right skills, tools and resources to achieve the vision and objectives of the City [32% Disagree/Strongly Disagree].

The three most negative responses from non-management were [464 respondents]:

- Staff can raise concerns to management without fear of reprisal [38% Disagree/Strongly Disagree].

- I trust senior management to keep promises [33% Disagree/Strongly Disagree].

- Prompt communication of mistakes, bad news and other related information is given to those who need to know without fear of reprisal [33% Disagree/Strongly Disagree].

The three most negative responses from non-bargaining staff were [235 respondents]:

- I have sufficient resources, tools and time, supported by the appropriate administrative structure, to accomplish my objectives [36% Disagree/Strongly Disagree].

- The City has established a level of trust sufficient to support the open flow of information and effective performance [30% Disagree/Strongly Disagree].

- We have the right people, with the right skills, tools and resources to achieve the vision and objectives of the City [28% Disagree/Strongly Disagree].

The three most negative responses from bargaining staff were [376 respondents]:

- Staff can raise concerns to management without fear of reprisal [42% Disagree/Strongly Disagree].

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- I trust senior management to keep promises [38% Disagree/Strongly Disagree].

- Prompt communication of mistakes, bad news and other related information is given to those who need to know without fear of reprisal [37% Disagree/Strongly Disagree].

The comparison between both management/non-management and bargaining/non-bargaining raise similar issues. The only differences are the Agree/Strongly Disagree percentages.

Gender Analysis

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

Percentage – Strongly Agree/Agree	Number of Statements Male [373 Responses]	Number of Statements Female [234 Responses]
75% or more of all respondents either Strongly Agree or Agree with the statement.	7 [2015] 6 [2013]	8 [2015] 8 [2013]
60% and up to and including 74% of all respondents either Strongly Agree or Agree with the statement.	12 [2015] 7 [2013]	8 [2015] 9 [2013]
50% and up to and including 59% of all respondents either Strongly Agree or Agree with the statement.	6 [2015] 7 [2013]	7 [2015] 5 [2013]
Less than 50% of all respondents either Strongly Agree or Agree with the statement.	0 [2015] 5 [2013]	2 [2015] 3 [2013]

Results for 2015 indicate that males tend to strongly agree/agree with the statements more often. This is the opposite of the 2013 results where females tended to strongly agree or agree with the statements more often.

This can be attributed to the larger number of respondents and more positive results from Vaughan Fire and Rescue Services where the organization is more male dominated.

Full-Time versus Part-time Staff

Sixty part-time staff responded to the survey and the number of strongly agree/agree responses were close in profile to 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.	**9 [2015]** **5 [2013]**	**8 [2015]** **8 [2013]**
60% and up to and including 74% of all respondents either Strongly Agree or Agree with the statement.	**9 [2015]** **10 [2013]**	**9 [2015]** **12 [2013]**
50% and up to and including 59% of all respondents either Strongly Agree or Agree with the statement.	**5 [2015]** **6 [2013]**	**7 [2015]** **5 [2013]**
Less than 50% of all respondents either Strongly Agree or Agree with the statement.	**2 [2015]** **4 [2013]**	**1 [2015]** **0 [2013]**

While the full time survey results were slightly more positive overall, the part time results were less positive than the 2013 survey. There was the addition of one statement that did not receive 50% of a strongly agree/agree response.

- Staff can raise concerns to management without fear of reprisal.

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 on the next page.

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Evaluation Framework Component	Strength(s)	Gap(s) Opportunity for Improvement
Purpose (Sense of Direction)	Good understanding 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.	Improve communication 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). Better mechanisms and practices to support enhanced accountability.

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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.

The Evaluation Framework Analysis Results for 2015 are identical to those in 2013. Strengths identified in the previous survey have continued to have an upward trend. However, the prime issues of trust and resource capability and capacity remain. There is a better understanding of corporate risk although results still indicate this remains a gap.

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City-Wide Comparison [2015/2013] – Strongly Agree/Agree Statements

	Statement	2015 [SA/A] [622]	2013 [SA/A] [644]	Trend
1.	I understand the mission and vision for the City of Vaughan. [n=618]	87%	86%	⬆
2.	I understand how my work group's business objectives and outcomes align with Council priorities and Vaughan Vision 2020. [n=617]	74%	73%	⬆
3.	I understand the policies that affect my actions and the impact they have on the City. [n=614]	92%	86%	⬆
4.	As a City, we have manageable and well-communicated performance targets and metrics. [n=615]	54%	54%	➡
5.	Accountability, authority and responsibility at the City are clearly defined and actions are taken by the appropriate people. [n=615]	61%	61%	➡
6.	Staff can raise concerns to management without fear of reprisal. [n=614]	56%	52%	⬆

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	Statement	2015 [SA/A] [622]	2013 [SA/A] [644]	Trend
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. [n=614]	54%	46%	⬆
8.	Management in the City strives to comply with all applicable legislation. [n=614]	74%	68%	⬆
9.	I trust senior management to keep promises and commitments. [n=608]	54%	52%	⬆
10.	I have reliable and relevant information to do my job. [n=611]	82%	81%	⬆
11.	The City's integrity and ethical values are shared and practiced. [n=612]	63%	58%	⬆
12.	My department or program area learns from its mistakes. [n=611]	66%	64%	⬆
13.	I receive training on the City's standards of ethical workplace conduct. [n=609]	87%	86%	⬆
14.	In my work area, we are effective in monitoring performance to targets and indicators. [n=609]	64%	61%	⬆

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	Statement	2015 [SA/A] [622]	2013 [SA/A] [644]	Trend
15.	The City has established a level of trust sufficient to support the open flow of information and effective performance. [n=604]	50%	44%	⬆
16.	Prompt communication of mistakes, bad news and other related information is given to those who need to know without fear of reprisal. [n=608]	48%	44%	⬆
17.	I have a clear understanding of the City's Code of Conduct and Ethics expectations. [n=609]	93%	89%	⬆
18.	Our policies and procedures help me and my group or team ensure achievement with the City's objectives. [n=612]	75%	66%	⬆
19.	My department or program area receives and provides information that is necessary to support effective decision making. [n=608]	72%	69%	⬆
20.	When appropriate, my department or program area challenges the assumptions behind our objectives. [n=608]	59%	55%	⬆
21.	We have the right people, with the right skills, tools and resources to achieve the vision and objectives of the City. [n=607]	53%	50%	⬆
22.	The City has a clear policy on how I can report potential ethical or Code of Conduct violations. [n=607]	84%	75%	⬆

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	Statement	2015 [SA/A] [622]	2013 [SA/A] [644]	Trend
23.	I have sufficient resources, tools and time, supported by the appropriate administrative structure, to accomplish my objectives. [n=607]	61%	56%	⬆
24.	My department or program area takes into account citizen or stakeholder inputs in its decisions and actions. [n=606]	72%	68%	⬆
25.	My actions and those of my department or business unit are aligned with the rest of the organization. [n=610]	69%	63%	⬆

Governance and Accountability Survey 2015 – City-Wide All Responses

	Statement	SA	A	D	SD	DK	NC	SA/A
1.	I understand the mission and vision for the City of Vaughan. [n=618]	23% **[3]**	64%	3%	1%	7%	2%	87% **[3]**
2.	I understand how my work group's business objectives and outcomes align with Council priorities and Vaughan Vision 2020. [n=617]	18%	56%	8%	3%	13%	2%	74%
3.	I understand the policies that affect my actions and the impact they have on the City. [n=614]	27% **[1]**	65% **[2]**	3%	1%	3%	1%	92% **[2]**
4.	As a City, we have manageable and well communicated performance targets and metrics. [n=615]	6%	48%	24% **[2]**	7%	13%	2%	54%
5.	Accountability, authority and responsibility at the City are clearly defined and actions are taken by the appropriate people. [n=615]	8%	53%	19%	9%	7%	4%	61%
6.	Staff can raise concerns to management without fear of reprisal. [n=614]	10%	46%	22%	13% **[1]**	5%	4%	56%
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. [n=614]	6%	48%	18%	5%	20% **[2]**	3%	54%
8.	Management in the City strives to comply with all applicable legislation. [n=614]	16%	58%	8%	3%	12%	3%	74%
9.	I trust senior management to keep promises and commitments. [n=608]	10%	44%	22%	9%	9%	6% **[2]**	54%

Corporate Governance and Accountability - 2015

	Statement	SA	A	D	SD	DK	NC	SA/A
10.	I have reliable and relevant information to do my job. [n=611]	17%	65% [2]	13%	3%	1%	1%	82%
11.	The City's integrity and ethical values are shared and practiced. [n=612]	11%	52%	16%	7%	9%	5% [3]	63%
12.	My department or program area learns from its mistakes. [n=611]	15%	51%	17%	7%	7%	3%	66%
13.	I receive training on the City's standards of ethical workplace conduct. [n=609]	22%	65% [2]	8%	2%	1%	2%	87% [3]
14.	In my work area, we are effective in monitoring performance to targets and indicators. [n=609]	12%	52%	17%	6%	11%	2%	64%
15.	The City has established a level of trust sufficient to support the open flow of information and effective performance. [n=604]	6%	44%	24% [2]	9% [2]	13%	4%	50%
16.	Prompt communication of mistakes, bad news and other related information is given to those who need to know without fear of reprisal. [n=608]	5%	43%	23%	9% [2]	16%	4%	48%
17.	I have a clear understanding of the City's Code of Conduct and Ethics expectations. [n=609]	26% [2]	67% [1]	3%	1%	2%	1%	93% [1]
18.	Our policies and procedures help me and my group or team ensure achievement with the City's objectives. [n=612]	12%	63%	11%	3%	9%	2%	75%
19.	My department or program area receives and provides information that is necessary to support effective decision making. [n=608]	12%	60%	15%	4%	7%	2%	72%

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	Statement	SA	A	D	SD	DK	NC	SA/A
20.	When appropriate, my department or program area challenges the assumptions behind our objectives. [n=608]	9%	50%	11%	3%	23% [1]	4%	59%
21.	We have the right people, with the right skills, tools and resources to achieve the vision and objectives of the City. [n=607]	7%	46%	23%	8%	9%	7% [1]	53%
22.	The City has a clear policy on how I can report potential ethical or Code of Conduct violations. [n=607]	20%	64%	5%	3%	6%	2%	84%
23.	I have sufficient resources, tools and time, supported by the appropriate administrative structure, to accomplish my objectives. [n=607]	9%	52%	25% [1]	7%	4%	3%	61%
24.	My department or program area takes into account citizen or stakeholder inputs in its decisions and actions. [n=606]	16%	56%	7%	2%	15%	4%	72%
25.	My actions and those of my department or business unit are aligned with the rest of the organization. [n=610]	12%	57%	9%	3%	17% [3]	2%	69%

Explanatory Notes

SA – Strongly Agree
A – Agree
D – Disagree
SD – Strongly Disagree
DK – Don't Know
NC – Not Comfortable Answering

SA/A – Overall Agreement Measure [Combination of Strongly Agree/Agree

Shaded Boxes = Three Highest Percentages in Categories

n = number of responses/repondents

APPENDIX

Accountability and Governance Survey | 2015

Corporate Governance and Accountability - 2015

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 who 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 - 2015

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 in which you work.
☐   Office of the City Manager
☐   Fire and Rescue Services
☐   Executive Director's Office
☐   Finance and City Treasurer
☐   Legal and Administrative Services
☐   Planning
☐   Engineering and Public Works
☐   Strategic and Corporate Services

2. Please indicate the Department in which you work.
☐   Economic and Business Development
☐   Corporate Communications
☐   City Financial Services
☐   Budgeting and Financial Planning/Development Finance and Investments
☐   Purchasing Services

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☐	**City Clerk's Office**
☐	**Legal Services**
☐	**By-Law and Compliance**
☐	**Recreation and Cultural Services**
☐	**Building and Facilities**
☐	**Fleet Management**
☐	**Parks Development**
☐	**Development Planning**
☐	**Policy Planning**
☐	**Building Standards**
☐	**Strategic Planning/Environmental Sustainability**
☐	**Innovation and Continuous Improvement**
☐	**Access Vaughan**
☐	**Information and Technology Management**
☐	**Human Resources**
☐	**Development Engineering, Infrastructure Planning**
☐	**Capital Development and Asset Management**

☐	**Environmental Services**
☐	**Transportation Services, Parks and Forestry**
☐	**Other [Not Listed Above]**

3.	**Please indicate your position status.**

☐	**Full Time**
☐	**Part-Time**
☐	**Contract/Casual/Temporary**

4.	**Gender**

☐	**Female**
☐	**Male**

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

☐   Yes

☐   No

6.   Please identify your role in the City.

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

☐   Non-Management (Specialist/Technician, Administrative, Clerical Support, Team Member, Front Line Staff)

7.   Please indicate your years of service in the City.

☐   Less than 1 year

☐   More than 1 year but less than 2 years

☐   2 to 5 years

☐   6 to 10 years

☐   11 to 15 years

☐   16 to 20 years

☐   21 years or longer

INTERNAL AUDIT REPORT

Corporate Governance and Accountability - 2015

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

Key: SA=Strongly Agree   A=Agree   D=Disagree   SD=Strongly Disagree   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 are clearly defined and 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.						

Statement	SA	A	D	SD	DK	NC
9. I trust senior management to keep promises and commitments.						
10. I have 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.						

Corporate Governance and Accountability - 2015

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.						

(Optional)

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

_____

_____

_____

_____

_____

_____

_____

_____

(Optional)

If you have any other comments you want to make, please use the space below:

_____

_____

_____

_____

_____

_____

_____

Thank you for completing the survey.