

Office of Internal Audit

2024 Annual Ethics Survey

December 2024

City Auditor
Stan Sewell, CPA, CGFM, CFE





OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

December 12, 2024

To: Mayor Tim Kelly
City Council Members

Subject: 2024 Annual Ethics Survey

Integrity and ethical values are an integral part of the City's process to achieve desired goals. To evaluate the effectiveness of the work environment, the Office of Internal Audit conducted an anonymous survey to determine employee opinions of the City's work environment. Survey questions primarily relate to ethical culture. However, we have included some questions that pertain to the broader work environment. A similar survey has been conducted the last several years allowing for some prior year and trend analysis. Thirty-one percent of employees responded to the survey (867 individuals). Survey responses were solicited on October 30, 2024 and received until November 21, 2024.

The position classifications of respondents this year were consistent with prior years. Approximately two-thirds classified themselves as staff, and one-third classified as middle management.¹ The majority of respondents believe their supervisor demonstrates high ethical standards, believe their department's policies & procedures help them do their job effectively, believe their job responsibilities and reporting relationships have been clearly established and communicated to them, and know how to report fraud, waste and abuse.²

We noted the following differences in the perceptions of employees based on their classification as staff, middle or upper management level:

- With regard to whether wrongdoing would stop if reported, fewer staff level employees (54%) thought wrongdoing would stop than middle management (64%) or upper management (72%).³

¹ Work Environment Survey question 1.

² Work Environment Survey questions 3, 6, 7 & 11.

³ Work Environment Survey question 4.

- Fewer staff level employees (53%) believe they would not experience retaliation if they report wrongdoing than middle management (63%) or upper management (61%).⁴
- Fewer staff level employees (75%) believe their department's policies and procedures help them do their job effectively than middle management (82%) or upper management (83%).⁵
- In regard to satisfaction with training opportunities, fewer staff level employees (69%) are satisfied than middle management (77%) or upper management (74%).⁶

The perceptions with a positive change compared to 2023 pertained to:

- More respondents are confident wrongdoing would stop if they reported it (58% in 2024 vs 56% in 2023)³;
- Less respondents believe they would experience retaliation if they reported wrongdoing (17% in 2024 vs 20% in 2023)⁴;
- More respondents think their department's policies and procedures help them do their job effectively (78% in 2024 vs 74% in 2023)⁵;
- More respondents believe their job responsibilities and reporting relationships have been clearly established and communicated (88% in 2024 vs 83% in 2023)⁷;
- Slightly more respondents indicated they received a periodic job evaluation or performance appraisal (69% in 2024 vs 68% in 2023)⁸;
- More respondents feel their job evaluation was beneficial (63% in 2024 vs 60% in 2023)⁹; and
- More respondents indicated they know how to report fraud, waste and abuse (93% in 2024 vs 88% in 2023)¹⁰.

Perceptions on whether your supervisor demonstrates high ethical standards (85%) and whether you are satisfied with training opportunities (72%) were unchanged from 2023.¹¹ The only perception that trended slightly negative was whether you feel having a well-run City is a top priority for the City's leadership (84% in 2024 vs 86% in 2023)¹². One notable positive trend is an increase of annual job performance appraisals from 51% in 2020 to 69% in 2024.⁸

⁴ Work Environment Survey question 5.

⁵ Work Environment Survey question 6.

⁶ Work Environment Survey question 8.

⁷ Work Environment Survey question 7.

⁸ Work Environment Survey question 9.

⁹ Work Environment Survey question 10.

¹⁰ Work Environment Survey question 11.

¹¹ Work Environment Survey question 3 & 8.

¹² Work Environment Survey question 12.

Summary graphs displaying the results of our work environment survey are attached. Detail data can be obtained in Excel format on the City's website (Stay Informed-Audits & Reports-Community and Ethics Surveys). We encourage analysis of the raw data to obtain a more in depth understanding of perceptions by applying various filters (such as comparing current year to prior year for individual departments).

The issues discussed in this report are not the result of an audit performed in accordance with generally accepted government auditing standards. Had we performed such an audit, additional issues might have been reported.

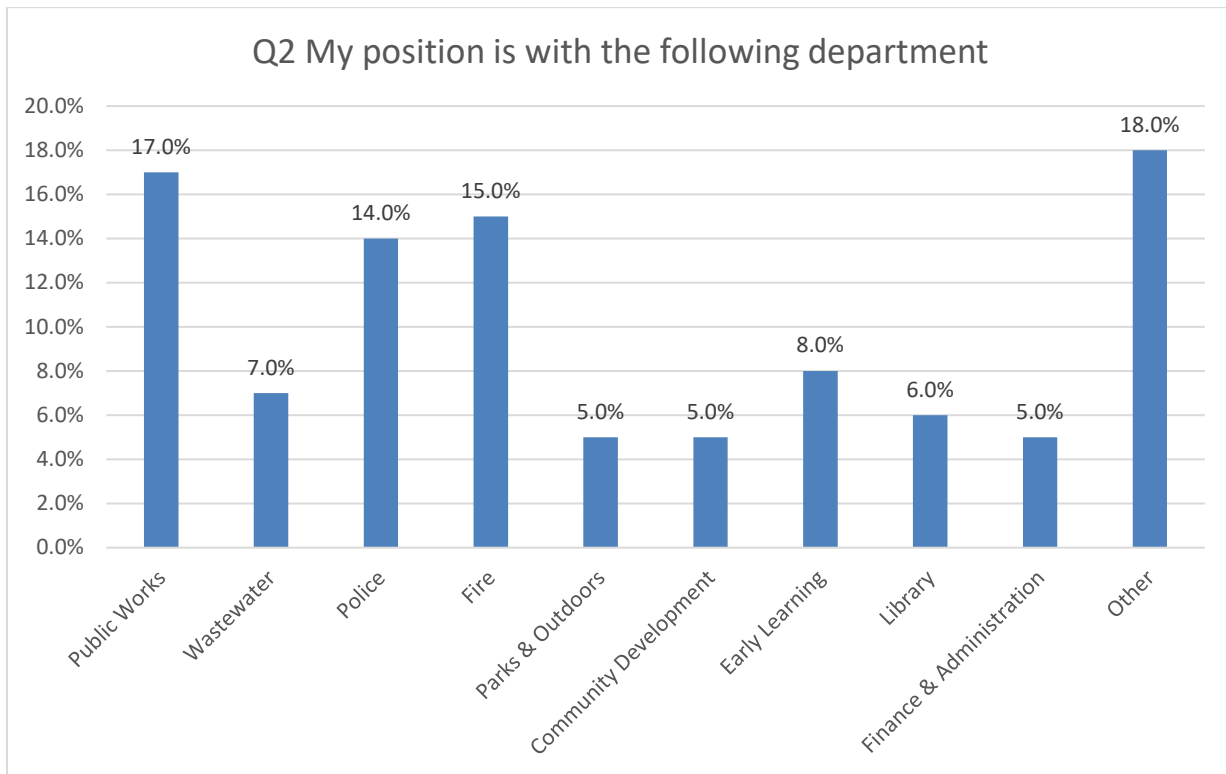
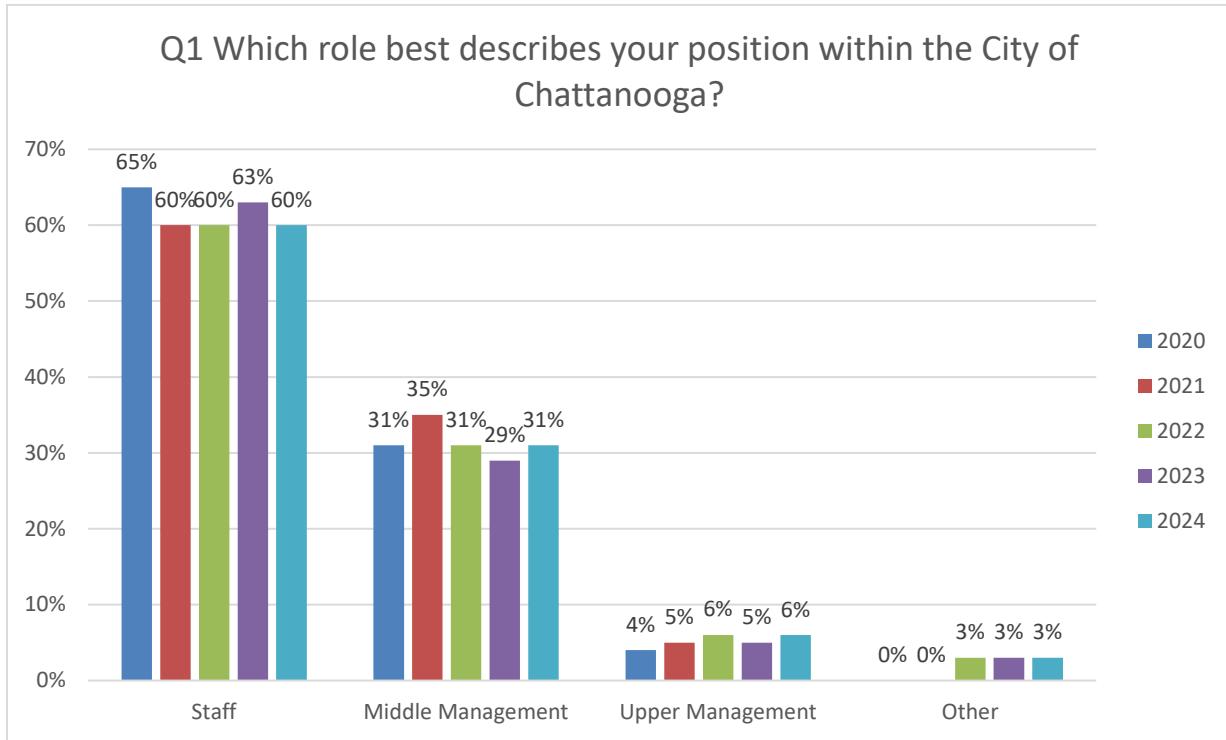
Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

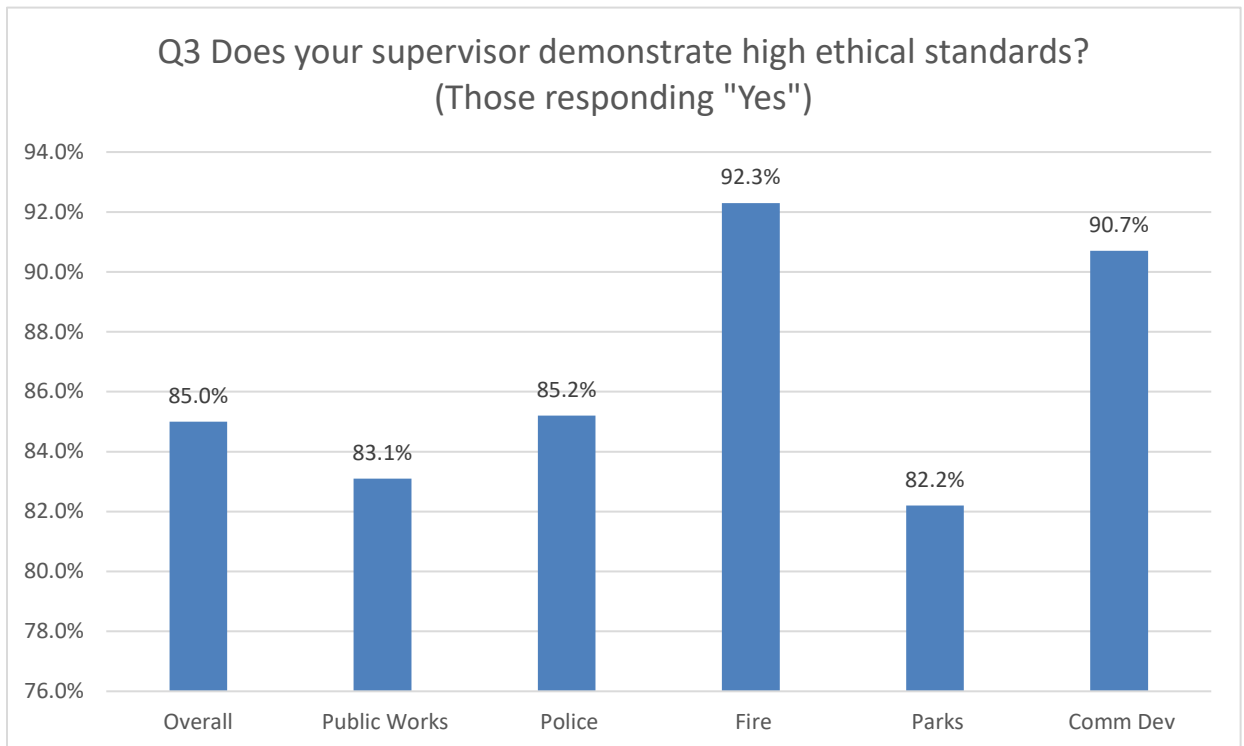
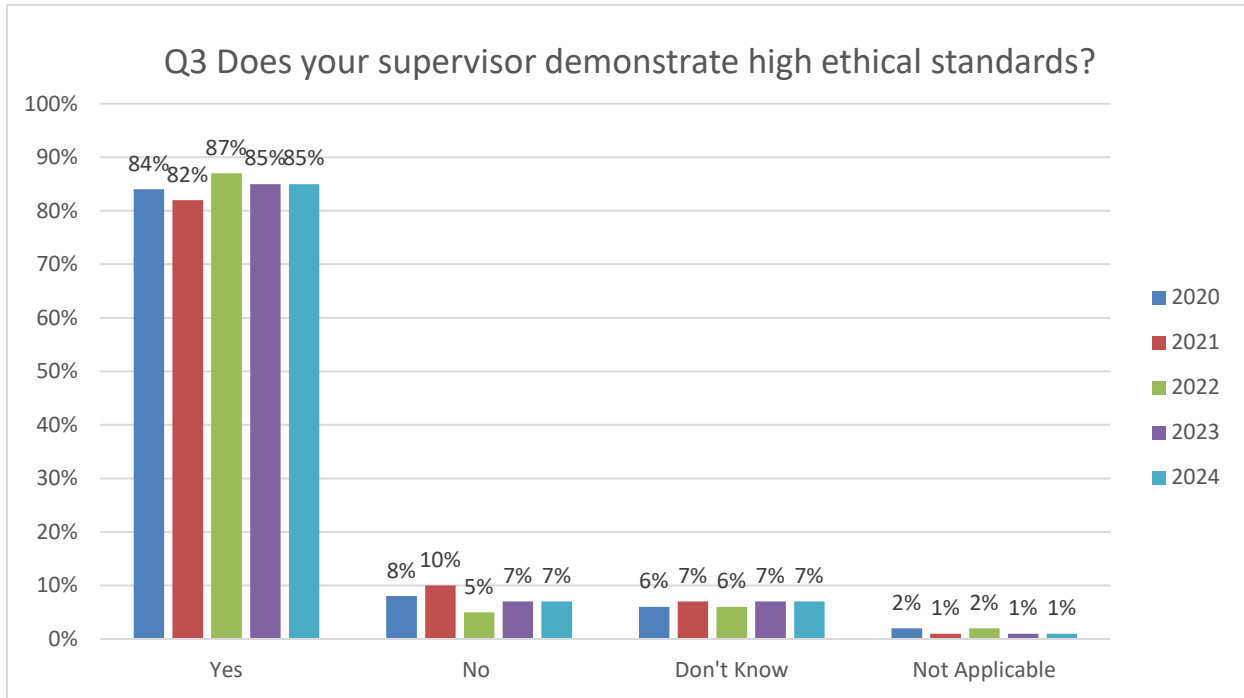
Attachment

cc: Audit Committee
Jermaine Freeman, Chief of Staff
Mande Green, Chief Operating Officer
Department Heads

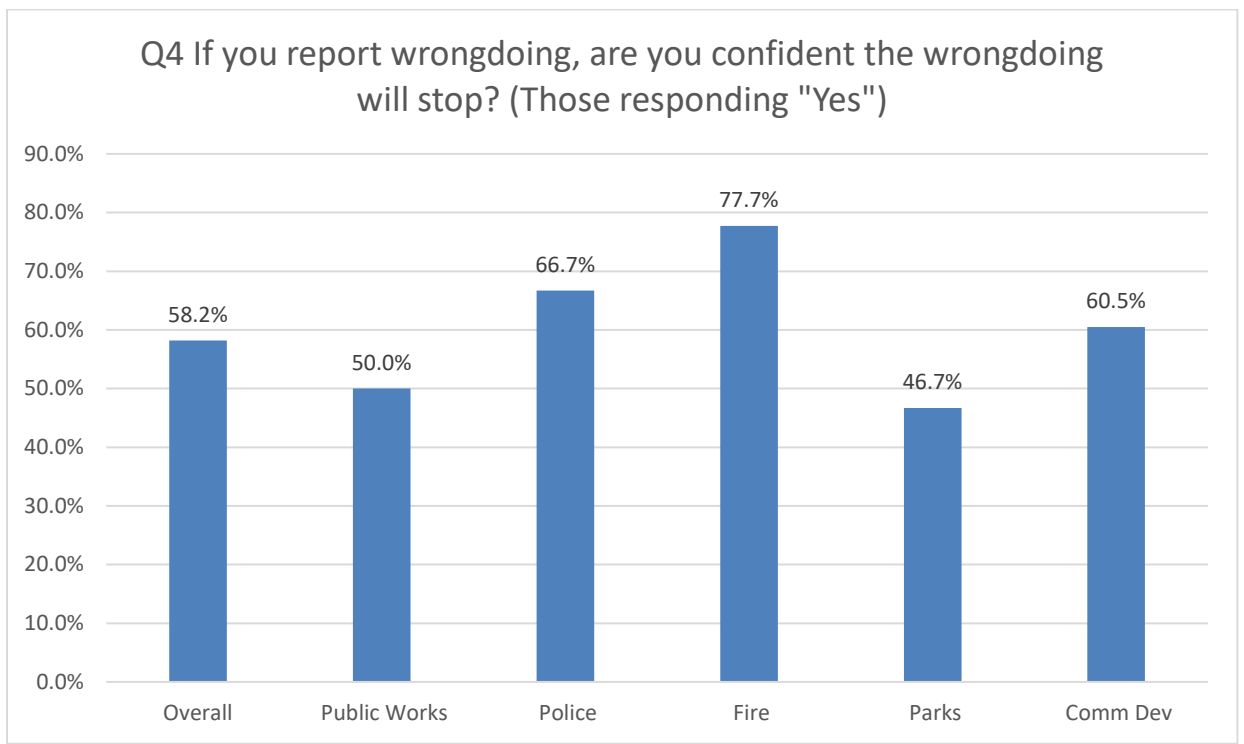
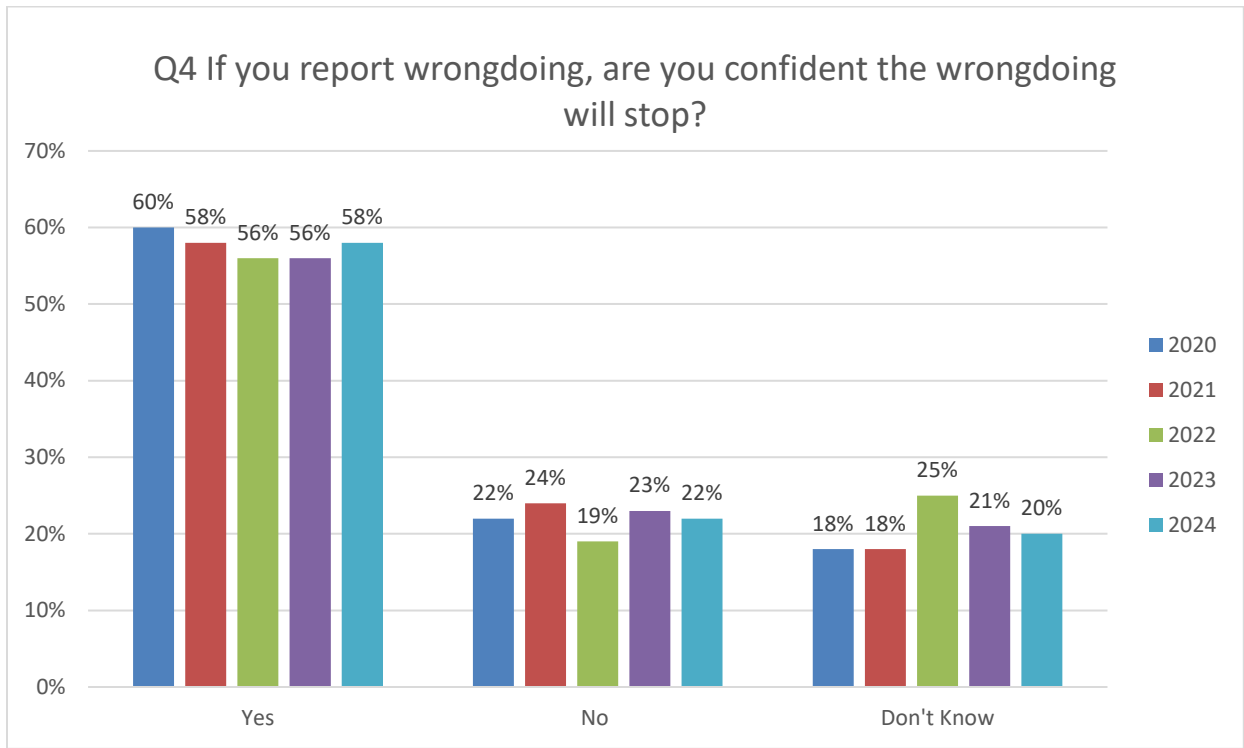
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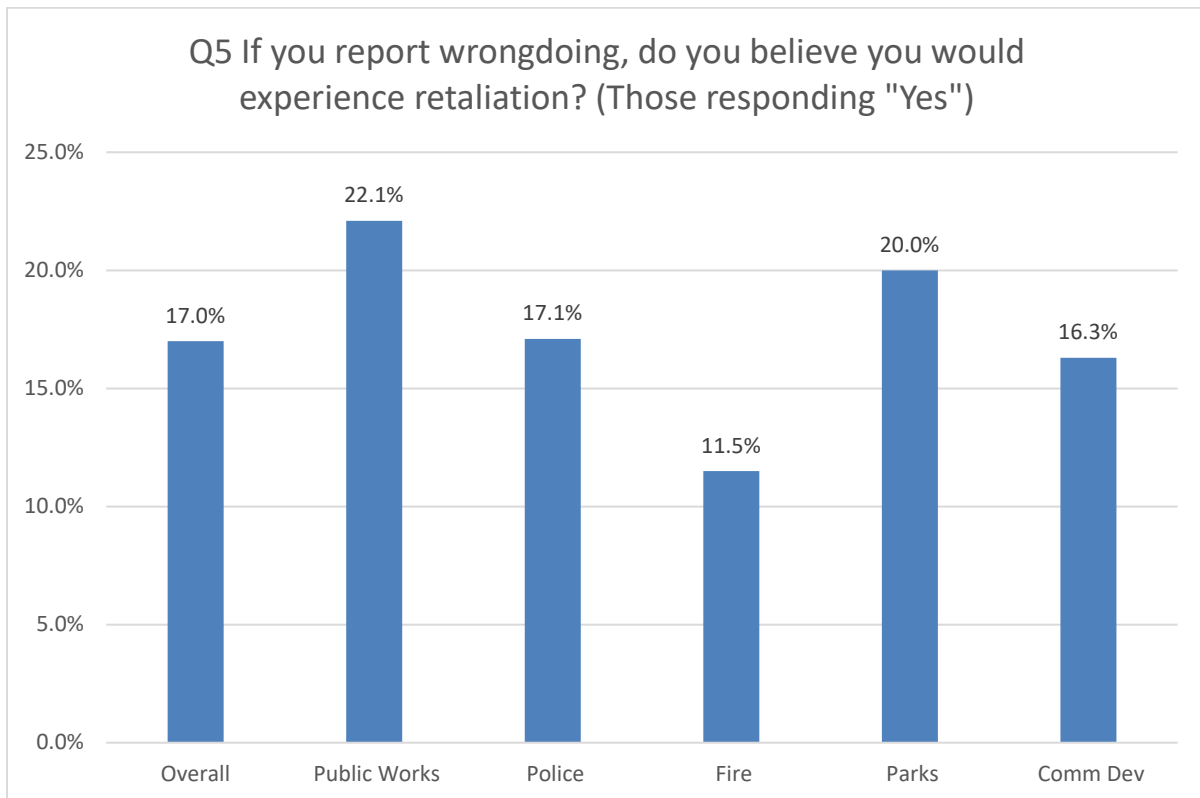
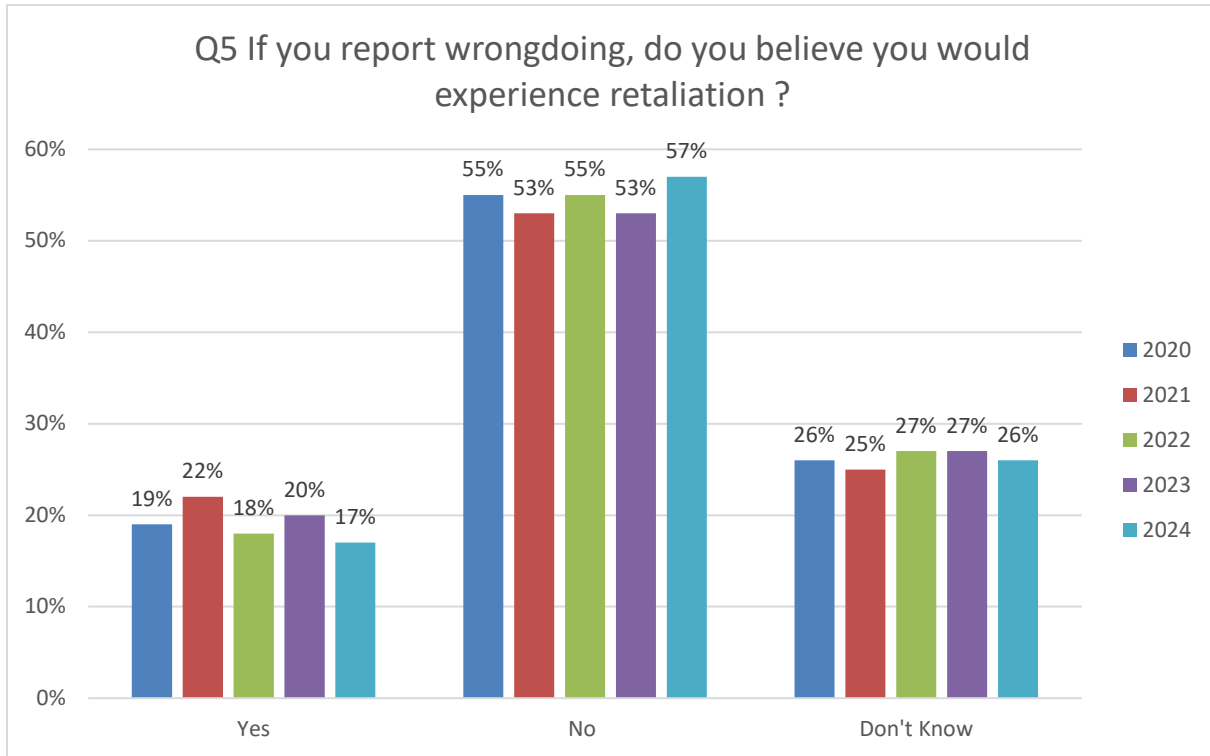
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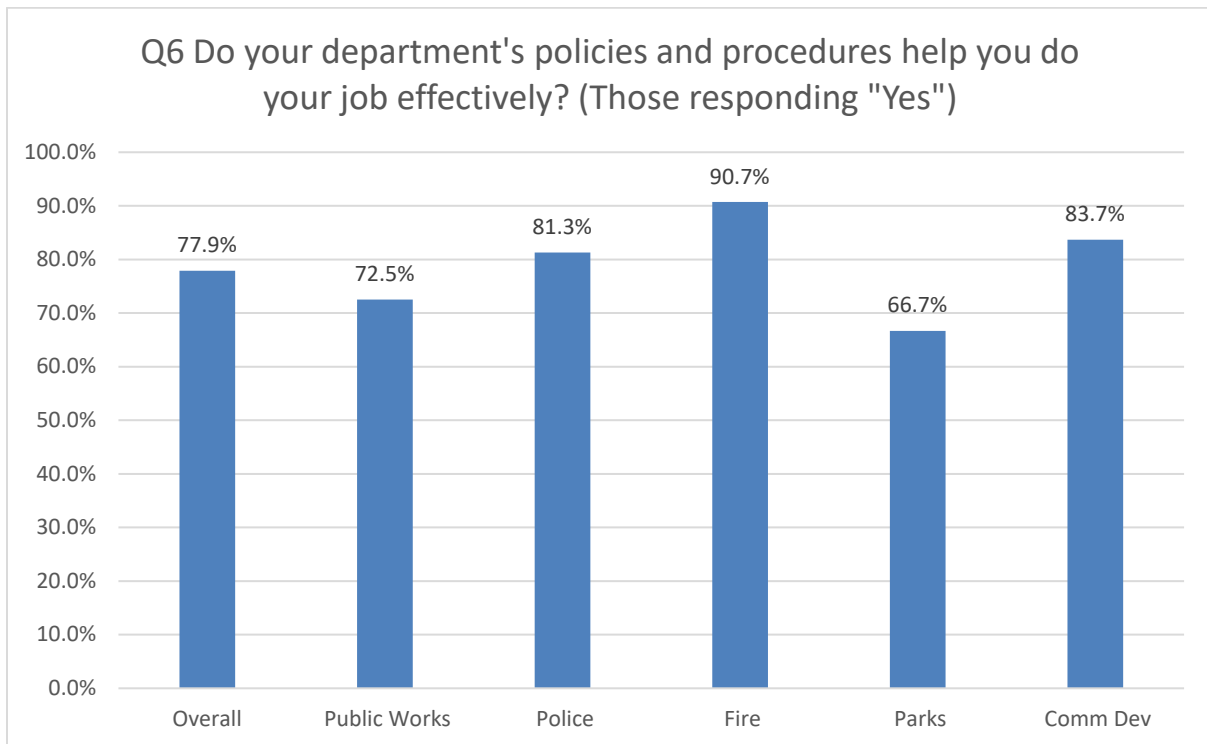
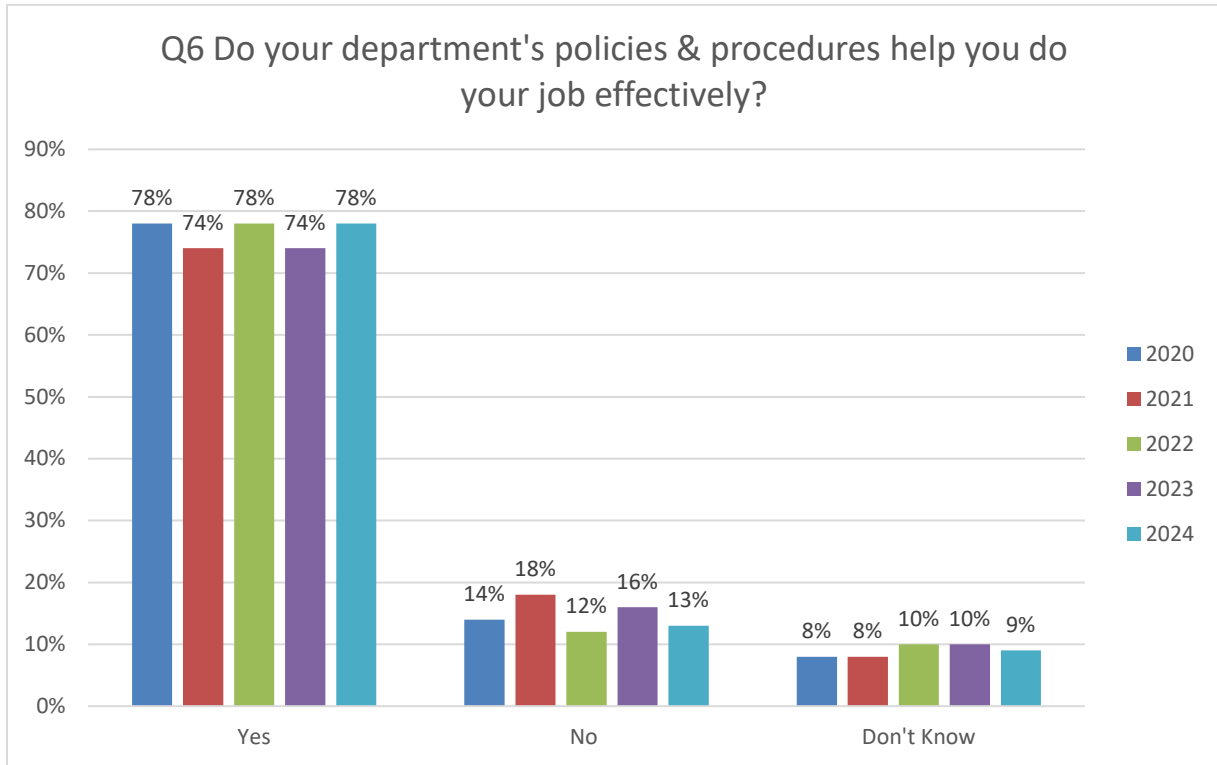
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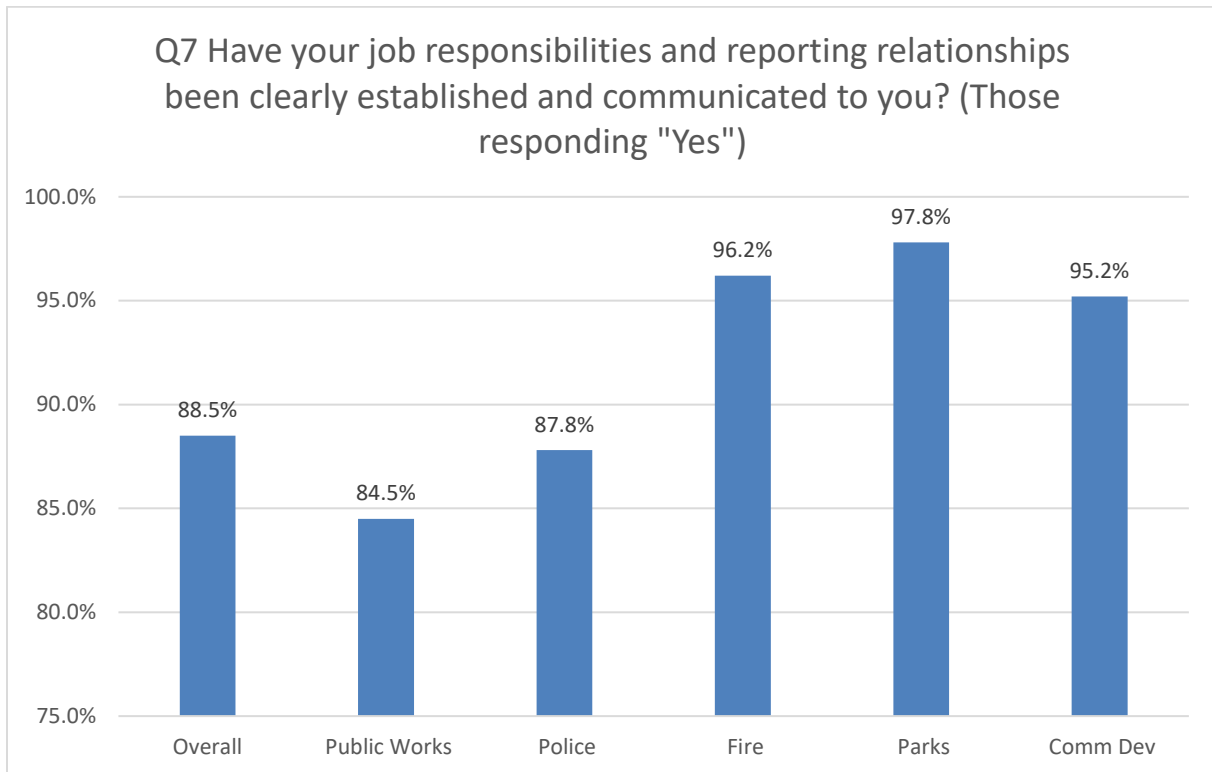
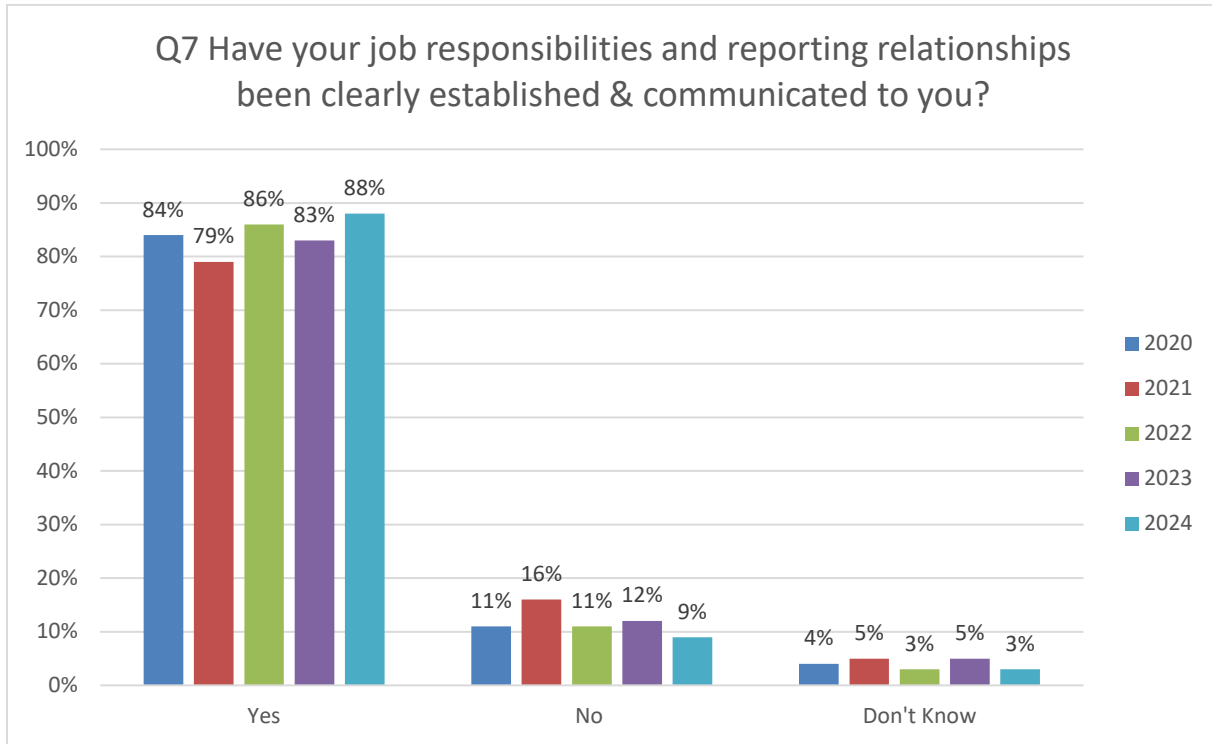
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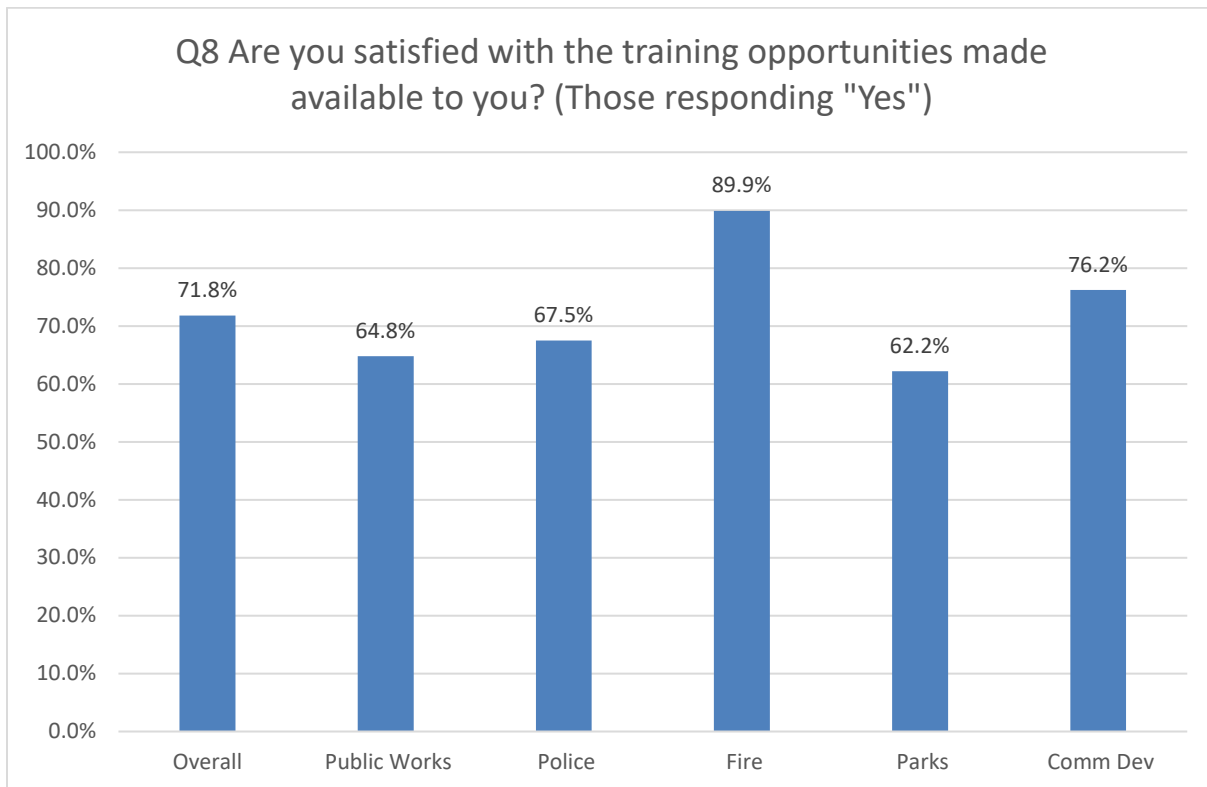
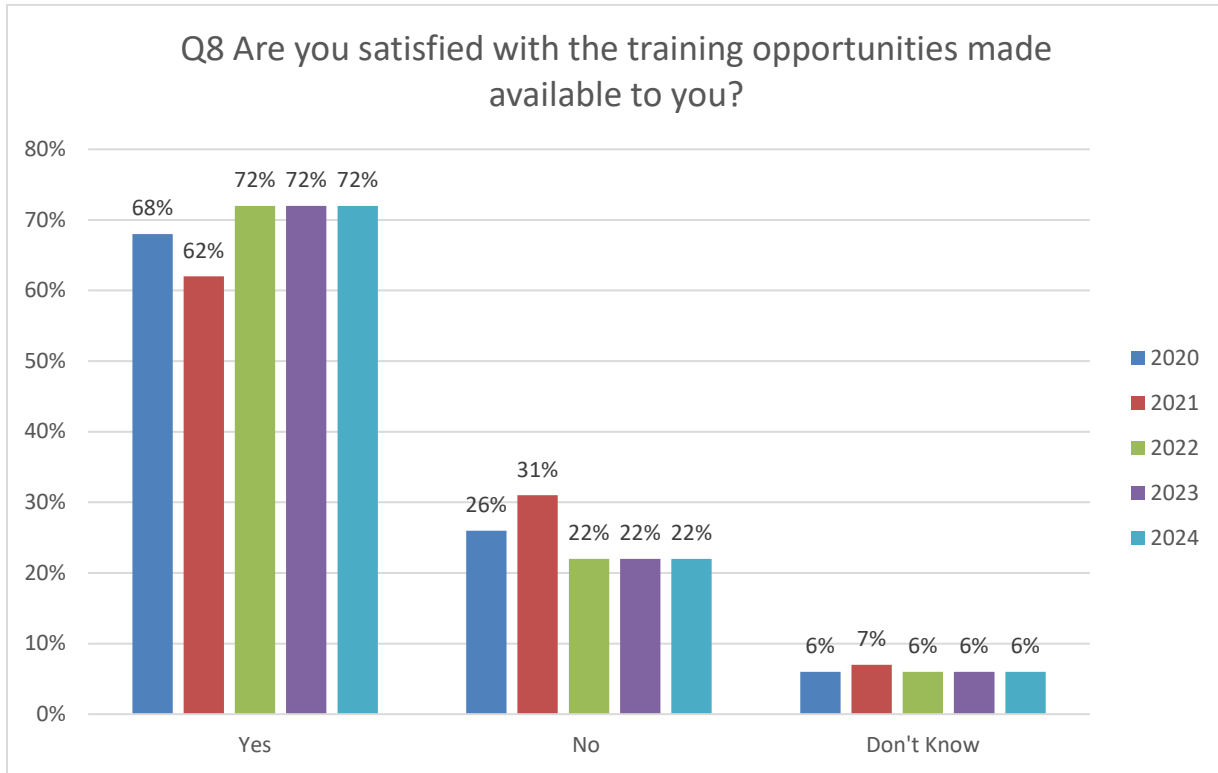
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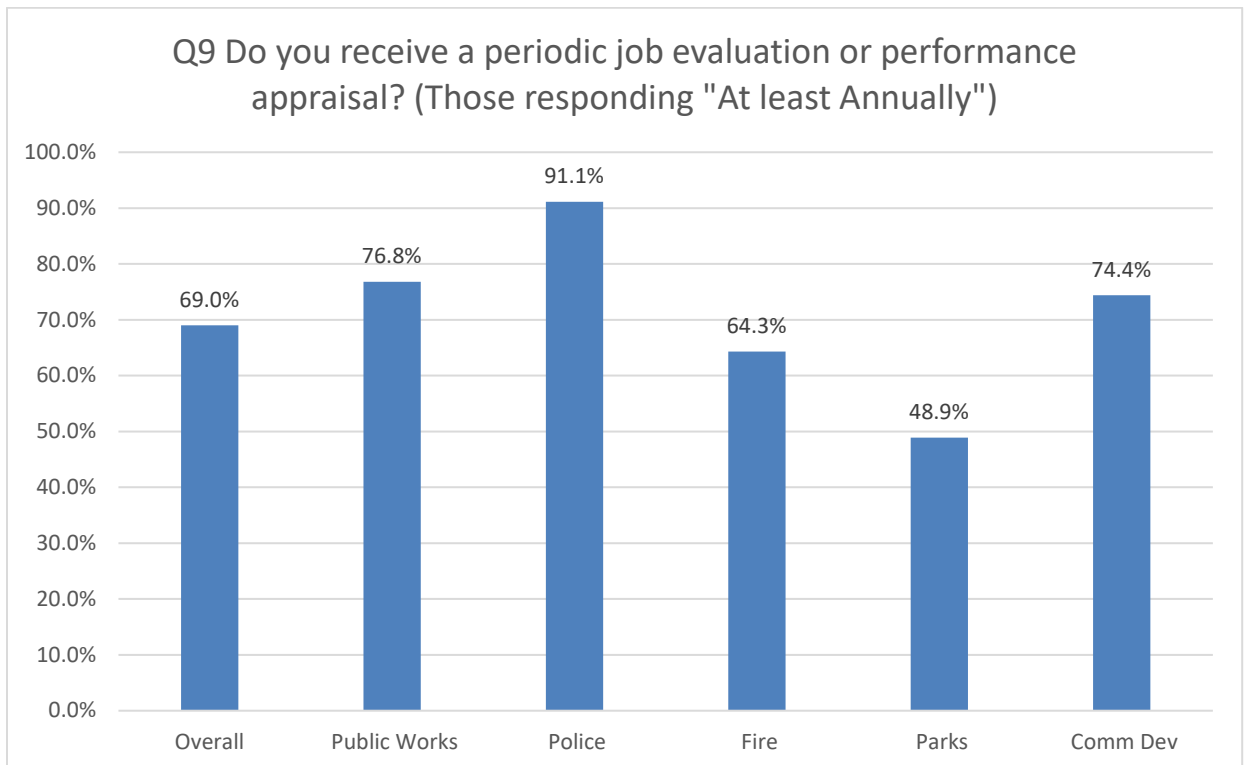
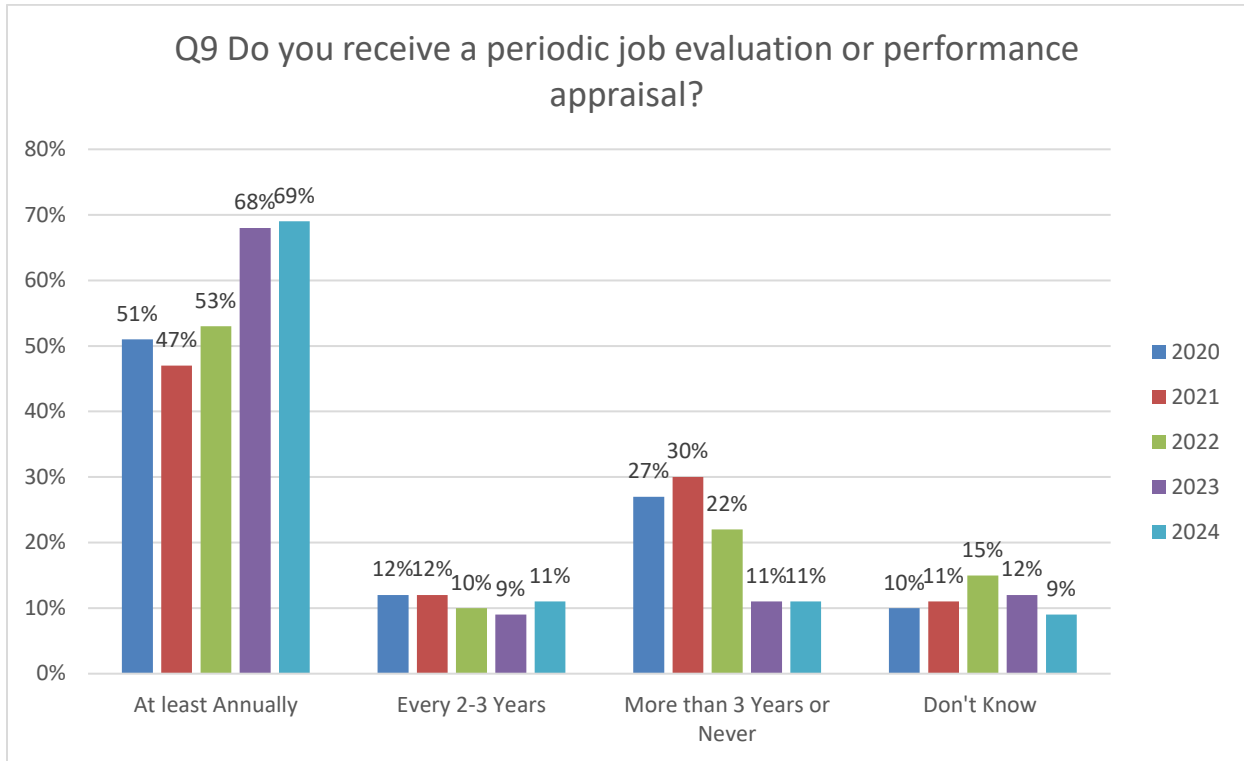
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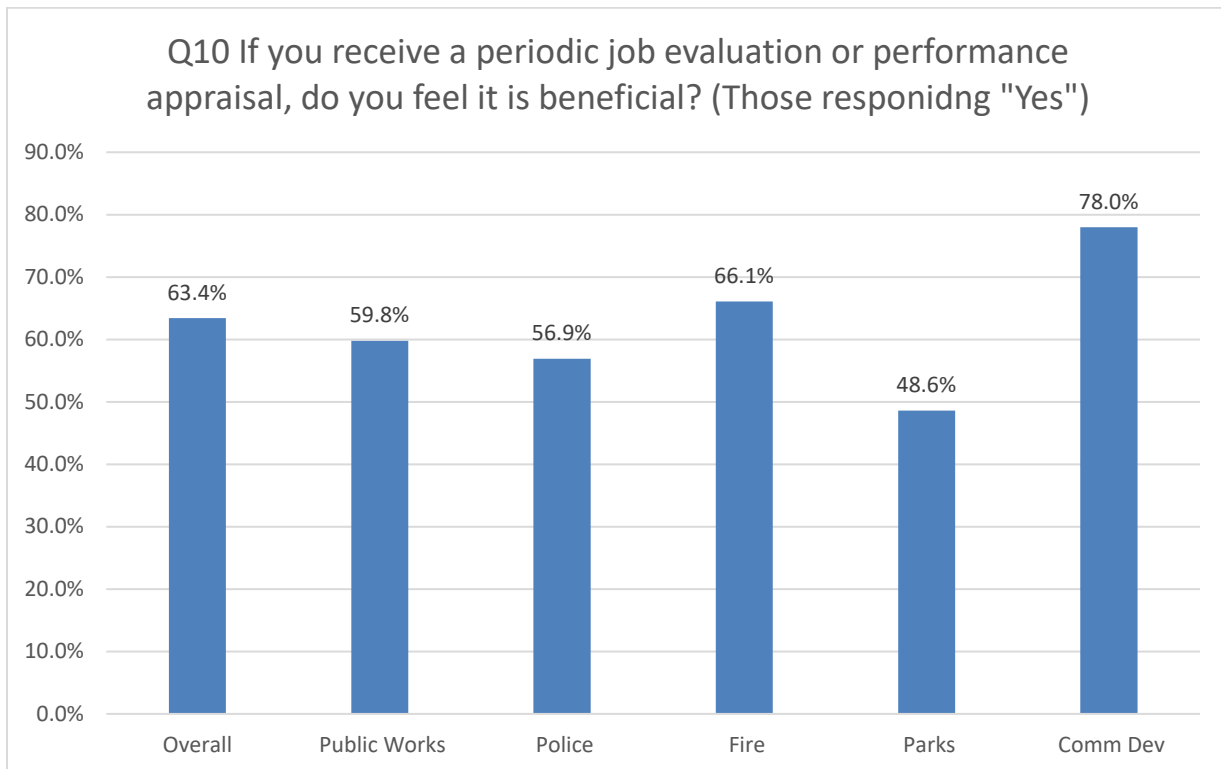
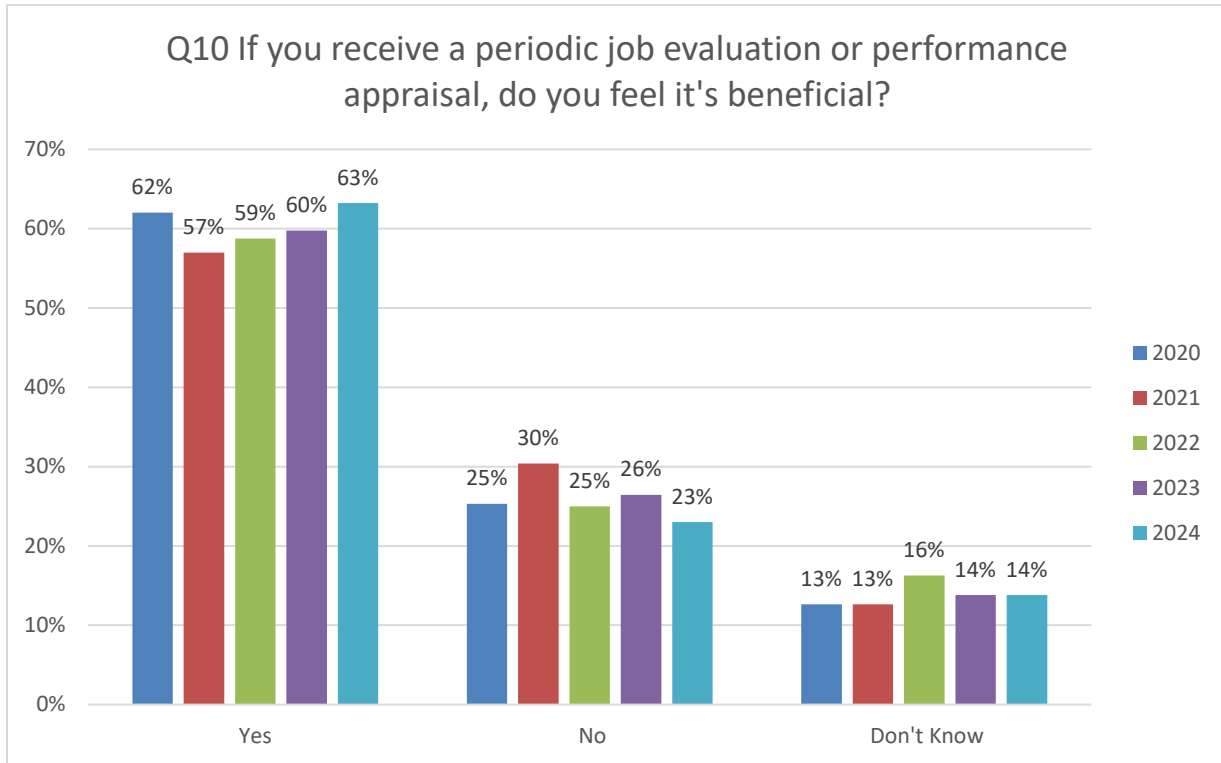
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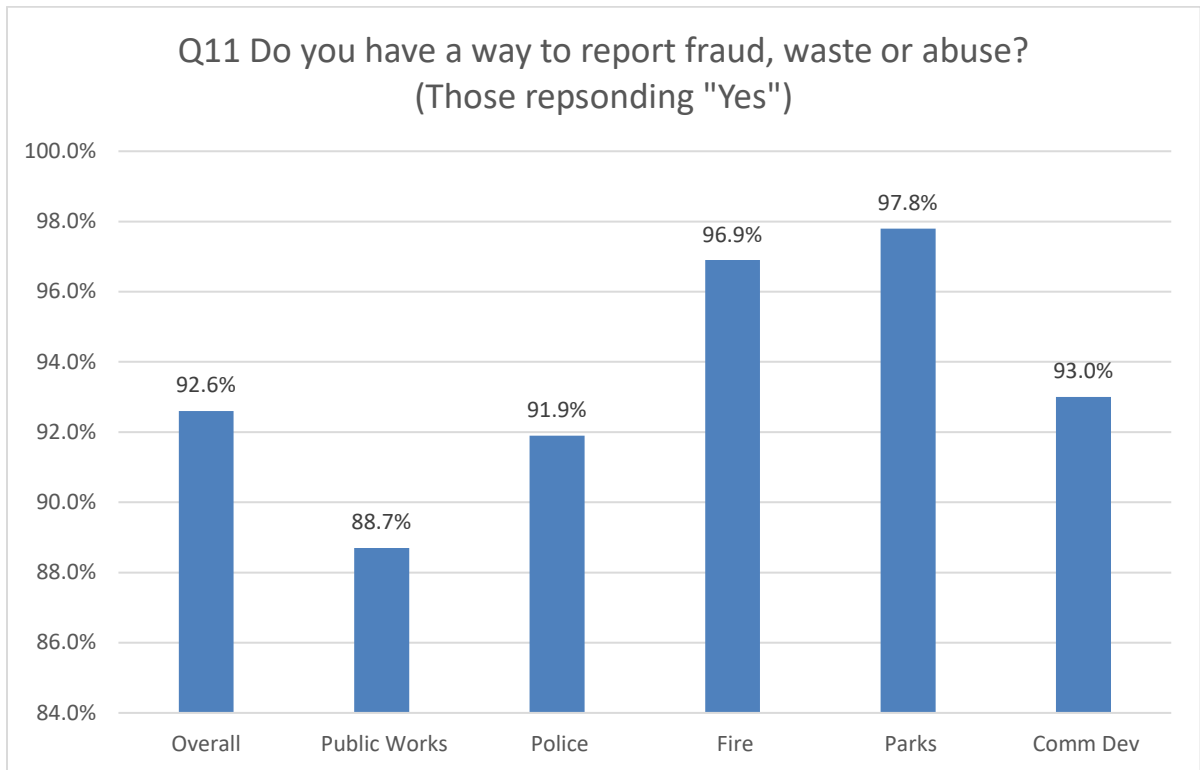
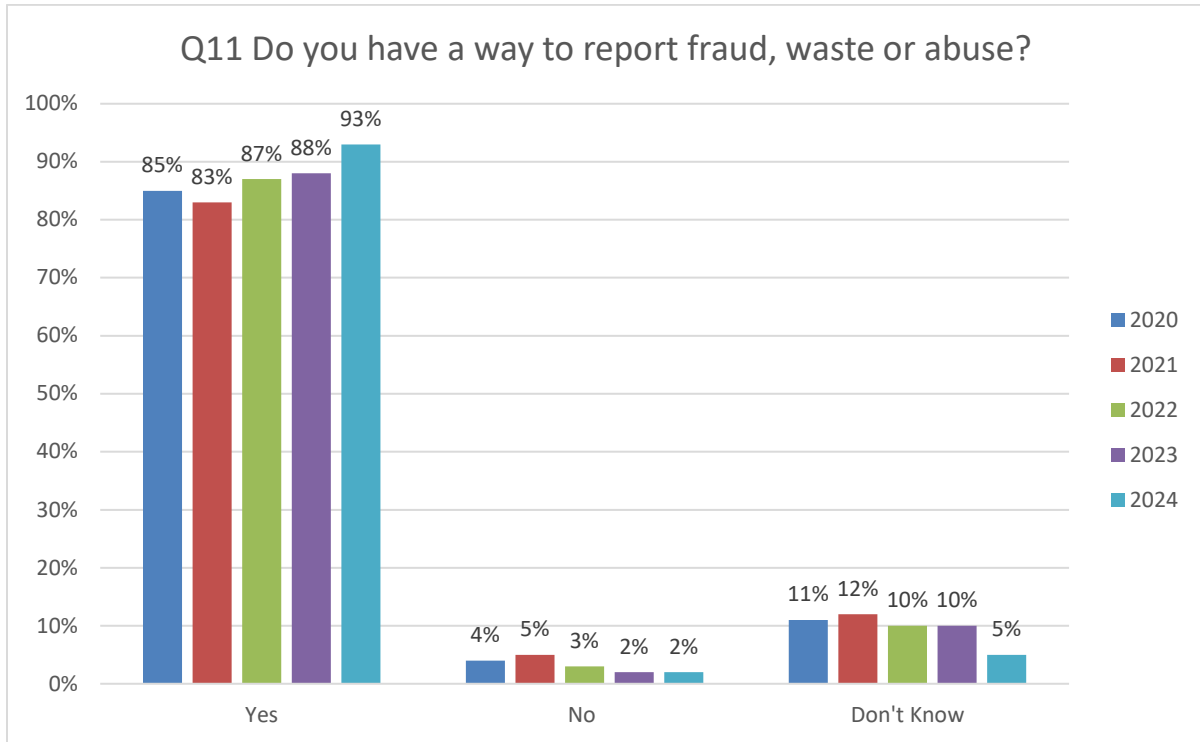
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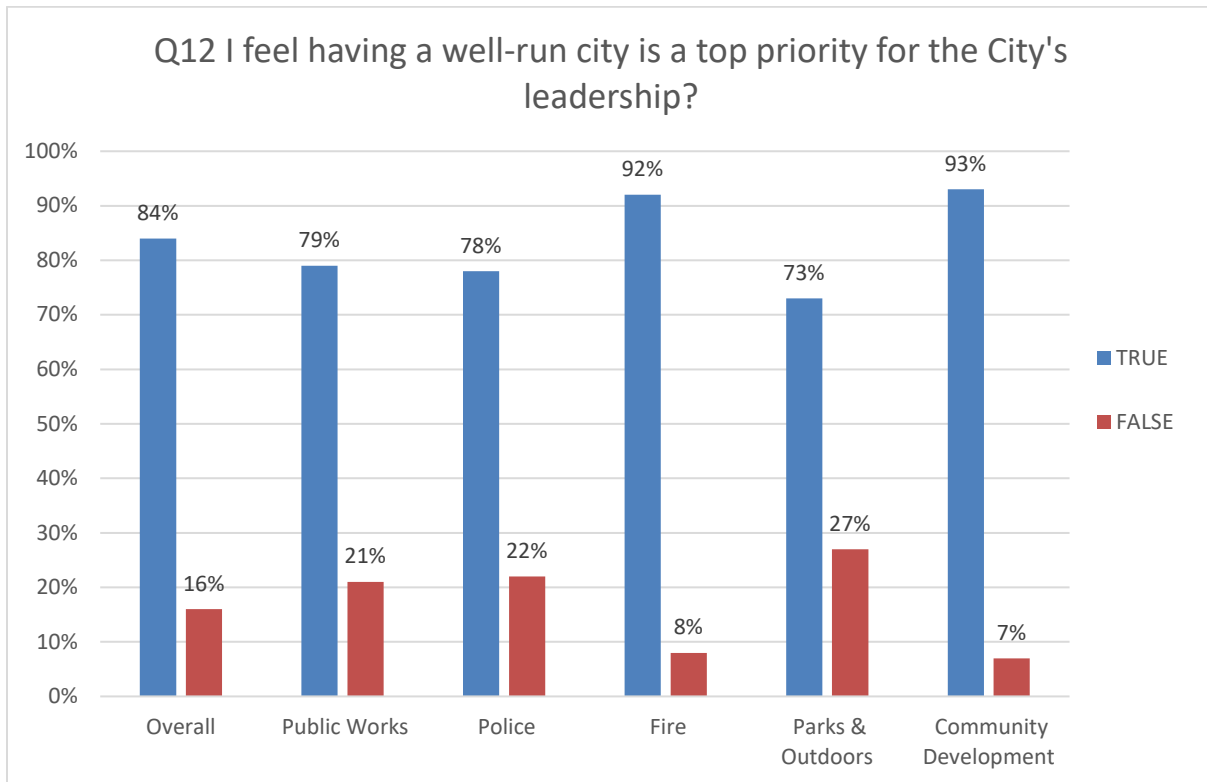
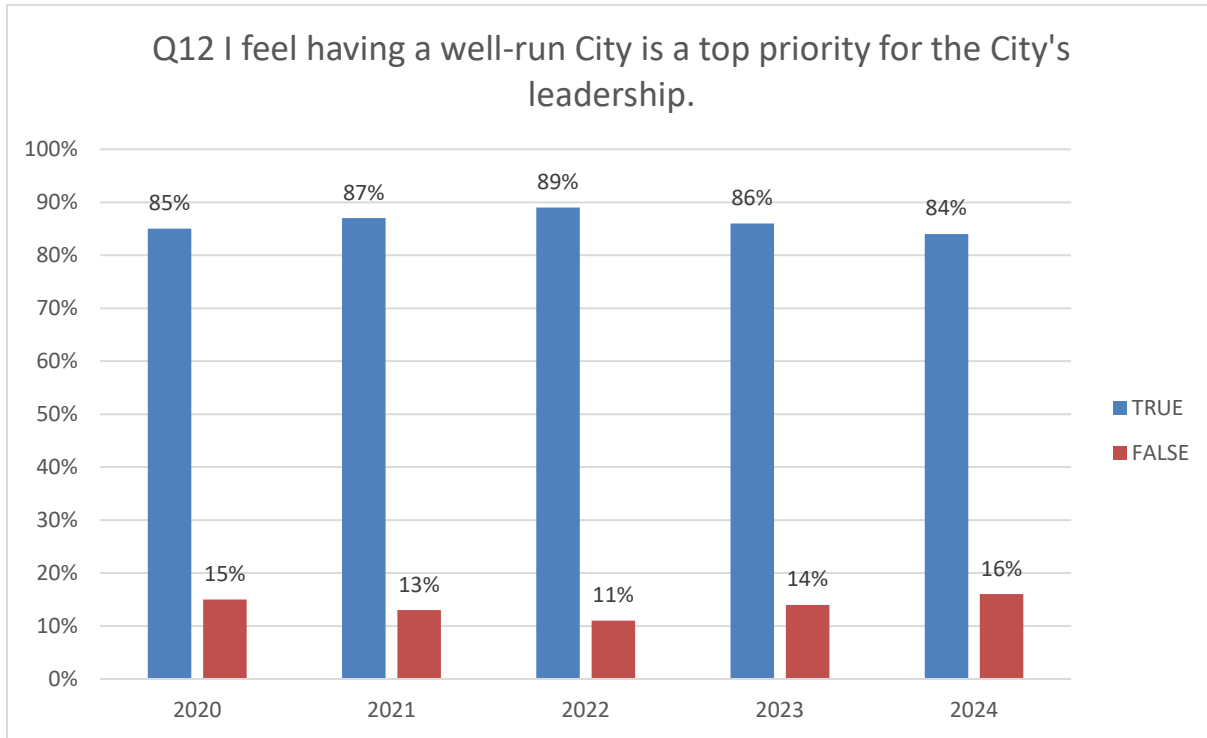
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City of Chattanooga Fraud, Waste, and Abuse Hotline

Internal Audit's Fraud, Waste, and Abuse Hotline gives employees and citizens an avenue to report misconduct, waste or misuse of resources in any City facility or department.

Internal Audit contracts with a hotline vendor, Navex Global, to provide and maintain the reporting system. The third party system allows for anonymous reports. All reports are taken seriously and responded to in a timely manner. Reports to the hotline serve the public interest and assist the Office of Internal Audit in meeting high standards of public accountability.

To make a report, call 1-877-338-4452 or visit our website:

www.chattanooga.gov/internal-audit