



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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21-14 City of Colorado Springs Ethics Policies and Practices

May 2021

Purpose

The purpose of this audit was to review City of Colorado Springs ethics related policies and practices. We compared the City policies and practices against published criteria for evaluating ethics programs.

Highlights

We conclude that overall the City of Colorado Springs administered policies and practices in accordance with published criteria for effective ethics programs. We noted areas of particular strength as commendable practices on page two of this report. Additionally, we identified one recommendation to strengthen administration of ethics related policies and practices. Please see page two of this report for recommendation details.

Professional standards followed by the Office of the City Auditor (OCA) require review of the organization's ethics program. Criteria used for this review was the maturity model published by the Institute of Internal Auditors (IIA) as included in their *Practice Guide—Evaluating Ethics-Related Programs and Activities* framework (Practice Guide.)

The IIA Practice Guide stated "*An ethical culture is created through a robust ethics program that sets expectations for acceptable behaviors in conducting business within the organization and with external parties. It includes effective board oversight, strong tone-at-the top, senior management involvement, a customized code of conduct, timely follow up and investigation of reported incidents, consistent disciplinary action for offenders, ethics training, communications, ongoing monitoring systems, and an anonymous incident reporting system.*" Based on our assessment, the City's ethics program met the criteria for a well defined ethics program.

We would like to thank the City of Colorado Springs Human Resources and City Attorney departments for their cooperation and assistance with this audit.

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Management Response

Management agrees to address issues. We will follow up on management's actions in future reports.

Commendable Practices

Our review identified City commendable practices supporting a well defined ethics program. Detailed information can be found on page two of this report.

Recommendation

Interviews conducted with a small sample of sworn and civilian employees indicated that the majority were unaware of the existence and intent of the OCA hotline.

Human Resources and the Office of City Auditor should work in partnership to increase awareness of the City Auditor Anonymous Hotline to report fraud, waste or abuse of City resources.

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Commendable Practices

City of Colorado Springs Personnel Policy Manuals (PPM) for civilian (Policy 39) and sworn personnel (Policy 29) provided guidance to employees regarding ethical conduct, reporting of potential ethics violations, and investigations of potential misconduct. The PPM documents incorporated the City Code of Ethics as the basis for ethical conduct.

The PPM documents included a reference to the OCA hotline number for reporting any suspected fraud and abuse.

Annual ethics training was required for all employees.

The 2021 employee engagement survey included questions related to ethics. Results provided by Human Resources noted that one of the most favorable responses from employees was that the work environments encourage ethical behavior.

City Code 1.3.103 includes the establishment of an Independent Ethics Commission (IEC). The purpose of this Commission was to render written recommendations to City Council on ethics complaints and to issue written advisory opinions in response to inquiries for consideration. The IEC has jurisdiction over elected officials, department heads, Municipal Court Judges, and members of boards, committees, and commissions appointed by the Mayor and/or City Council.

The City conducted background checks on all prospective employees as required by policy prior to the completion of the hiring process.

Observation 1

- Interviews conducted with a sample of sworn and civilian employees indicated that the majority were unaware of the existence and intent of the OCA hotline.

The OCA maintained a telephone line (hotline) and web site for the anonymous reporting of suspected unlawful or wasteful acts impacting the City of Colorado Springs and City Enterprises.

The hotline web site included information about the options for reporting concerns. Civilian and sworn PPM documents referenced the hotline. However, PPM documents did not include a link to the hotline nor did they include the OCA as an avenue for employees to report suspected ethics violations.

The hotline was referenced in new employee orientation, at an annual employee benefits fair, and in department bulletin board postings.

Management Response

HR Management: We do not object to the recommendation. Communication related to the City Auditor's options for reporting concerns will be included as recommended. Employee relations issues will be referred to City Human Resources and allegations of ethical violations will be forwarded to the City Auditor, City Attorney's Office and Human Resources. These changes will be implemented by December 31, 2021.

OCA Management: City Auditor agrees with the recommendation and will work with HR to update policies and increase employee Hotline awareness activities.

Recommendation

City Human Resources and the OCA should work in partnership to increase awareness of the hotline.

As part of this effort, Civilian and Sworn PPM documents should be updated to:

- Include the OCA as an option for employees to report suspected ethics violations as well as, a link to the OCA website.
- Clarify the types of concerns that may be reported to the OCA. Fraud and abuse were defined in the Fraud Prevention and Detection Policy on the OCA website.