2020 Internal Staff Survey
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Office of Retirement Services – Internal Audit
Houman Boussina, Senior Auditor

Background
The Internal Audit Division (IAD) conducted a staff survey in December 2020 to gain a baseline understanding of the following areas at the Office of Retirement Services (ORS):

- Culture - the tone of an organization, which is the foundation of all other components of internal control.[1]

- Goals and Obstacles – the ability to identify and manage potential obstacles to the achievement of goals.

- Policies, procedures, and other safeguards – the foundation controls to ensure that objectives are accomplished.

- Information and communication – pertinent information must be identified, captured, and communicated in a form and time frame that enables people to carry out their responsibilities.

- Information technology and security – secure information technology tools, practices, and training ensure effectively and efficiently meeting organizational goals and objectives.

Unique factors in 2020 likely impacted the survey
Calendar Year 2020 was a challenging year for ORS due to COVID-19 pandemic and the unprecedented work-from-home mandate starting on March 17, 2020. Many ORS staff did not have work-issued laptops and had to rely on their personal computers, home networks, and in some cases, less-than-ideal home office environments to meet the demands of their jobs. In addition, the ORS Benefits Division experienced vacancies in key positions, including the division manager and two senior analysts. The vacancies coincided with the busy, open-enrollment period for health coverage.
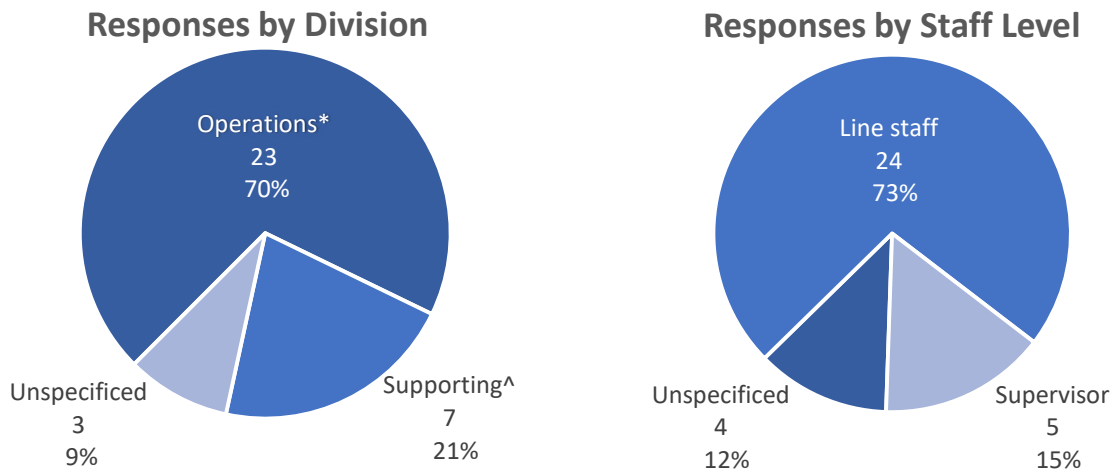
Survey Methodology
The IAD sent an invitation email with a link to an anonymous, online survey to 39 ORS staff members on December 11, 2020. After two reminder emails, the survey was closed on December 14, 2020. There were 33 survey responses, an 85 percent response rate. Exhibit 1 summarizes the divisions and levels of staff who responded.

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[1] Control is any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved.

Exhibit 1: Demographics of ORS Survey Respondents

Responses by Division

Operations*
23
70%

Unspecified
3
9%

Supporting^
7
21%

Responses by Staff Level

Line staff
24
73%

Unspecified
4
12%

Supervisor
5
15%

Source: ORS Staff Survey – December 2020
* Operations: Accounting, Benefits, and Investments Divisions
^ Supporting: IT and Administrative Divisions

The staff survey was adapted from an Institute of Internal Auditors (IIA) guide[2] and an information security survey published by the SANS institute.[3] Most survey questions were multiple choice, but some provided an opportunity to provide clarifying, narrative information. The survey results are summarized in the Appendix of this this report, with the following exceptions:

- To maintain anonymity, the results are presented in a summarized format, without any breakdown by ORS division or type of staff. The IAD will review and use a more detailed, specific version of the results to communicate concerns to ORS management and to inform the IAD's audit work.

- Only a summary of recurring or illustrative narrative responses are provided in this report.

- In accordance with auditing standards, the information technology and security results have been omitted from this report to avoid inadvertently exposing any security vulnerabilities. The IAD will communicate the results of that section to the ORS director.

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[2] See IIA practice guide "Evaluating Ethics-Related Programs and Activities" at: https://na.theiia.org/standards-guidance/Pages/Standards-and-Guidance-IPPF.aspx.

[3] SANS Institute is a cybersecurity, training, and research organization. See https://www.sans.org/.

Authority & Mandate The ORS's Internal Auditor Charter requires that the IAD meet or exceed the IIA's auditing standards. The standards require that the IAD:

- Evaluate the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities.

- Assess whether the information technology governance of the organization supports the organization's strategies and objectives.

In addition, auditing standards require that the IAD's plan of engagements be based on an annual risk assessment.

The IAD's charter-mandated scope of work includes assessment of the following areas:

- Adequacy and effectiveness of the system of risk management and internal controls.

- Coordination of activities and communication of information.

- Quality and continuous improvement of risk management and control processes.

- Policies, standards, procedures, and controls.

The IAD believes that this staff survey serves, in part, to meet the above mandates.

Survey Results	The survey results (see Appendix) show numerous areas of organizational strength and areas for improvement. Most respondents stated that employees in their division(s) have the knowledge, skill, and training to perform their jobs adequately, and that they do not need to take unnecessary safety risks to perform their jobs (Exhibit 2 - Culture). The survey highlighted the following areas of concern:

- Personnel turnover and its impact on ORS's ability to effectively perform its function, and realistic and obtainable performance targets (Exhibit 2 - Culture). Staff raised concerns about employee turnover and an unaddressed, chronic staffing shortage while there has been a significant increase in work demands, in at least one ORS division.

- Sufficiency of resources, tools, and time to accomplish objectives (Exhibit 3 – Goals and Obstacles). Staff raised concerns about the requirement to use personal equipment, including cell phones and computers because work-issued laptops were not available during the COVID pandemic, until November 2020. Staff reported challenges in accessing the City's network from home and believe that turnover and staffing shortages may negatively impact at least one division's ability to achieve its objectives.

- Communication and process improvement (Exhibit 4 – Information and Communication). Staff reported sporadic meetings and communications, especially during the COVID pandemic. Some staff do not feel encouraged to provide suggestions and input to management.

IAD's Action Plan	The IAD plans to repeat this same survey in December 2021 to assess whether management's efforts have led to measurable improvements in the surveyed areas and to identify any new areas of concern. The IAD will also use the survey results in planning and focusing its audit work and to meet its mandate to assess the effectiveness of the system of risk management, internal controls, and continuous improvement efforts at the ORS.
	The IAD has separately provided a memorandum to management regarding concerns that were raised about information technology and security, which are not included in this report.
Management's Comments	We are very pleased to have undertaken the first internal ORS annual staff survey and would like to thank staff for their participation. This has certainly been a most challenging year for all, and staff has shown resilience and a continued commitment to serving our members. We value the feedback received and will be formulating a plan to address areas of concern, including improving security measures.

Appendix – Survey Results

Exhibits 2 through 5 summarize ORS staff's perceptions of the four areas that are measured in the survey. The questions are sorted in ascending order of the last column in each exhibit, to emphasize areas of higher concern (i.e., questions with a low percentage of staff who agree or strongly agree with the statement). Because none of the questions required a response, the total number of responses varies by question.

Note: SA: Strongly Agree, A: Agree, N: Neutral, D: Disagree, SD: Strongly Disagree.

Exhibit 2: Culture

Statement	SA	A	N	D	SD	Total	Percent (Agree or Strongly Agree)
1. Personnel turnover has not impacted my division's ability to effectively perform its function.	8	3	5	3	10	29	38%
2. The performance targets in my division(s) are realistic and obtainable.	8	6	5	3	5	27	52%
3. Employees in my division(s) are treated fairly and justly.	9	9	2	3	5	28	64%
4. Management of my division(s) demonstrates high ethical standards.	15	4	3	3	3	28	68%
5. Integrity of financial and operational results always takes priority over reporting acceptable performance targets in my division(s).	9	8	4	3		24	71%
6. Management of my division(s) strives to comply with laws/regulations affecting ORS.	16	5	3	1	3	28	75%
7. My division(s) learns from its mistakes.	13	8	4	1	2	28	75%
8. Employees in my division(s) do not have to take unnecessary safety risks to perform their job.	11	11	1	4		27	81%
9. Employees in my division(s) have the knowledge, skill, and training to perform their job adequately.	14	10		3	2	29	83%

Exhibit 3: Goals & Obstacles

Statement	SA	A	N	D	SD	Total	Percent (Agree or Strongly Agree)
1. I have sufficient resources, tools, and time to accomplish my objectives.	4	11	4	3	7	29	52%
2. In my division(s), the processes supporting new products, services, technology, and other significant changes are adequately managed.	5	13	6	3	2	29	62%
3. For the coming year, I am accountable for defined, measurable objectives.	10	8	7		1	26	69%

Exhibit 4: Information & Communication

Statement	SA	A	N	D	SD	Total	Percent (Agree or Strongly Agree)
1. Mechanisms and incentives are in place for me to provide recommendations for process improvements.	5	5	7	7	4	28	36%
2. The communication across division boundaries enables my division to perform its job effectively.	5	10	6	5	2	28	54%
3. The interaction between senior management and my division(s) enables us to perform our jobs effectively.	11	6	4	5	2	28	61%
4. I have sufficient information to do my job.	8	10	7	1	3	29	62%
5. Our information systems provide management with timely reports on my division's performance relative to established objectives.	5	9	4	1	2	21	67%
6. Persons who report suspected improprieties are protected from reprisal.	7	7	4	2	1	21	67%
7. If I report wrongdoing to my supervisor(s), I am confident that the wrongdoing will stop.	9	8	4		3	24	71%
8. My supervisor reviews my performance with me at appropriate intervals.	12	9	4		1	26	81%
9. A communication channel exists for reporting suspected improprieties.	7	11	1	2	1	22	82%
10. I know what action to take if I become aware of unethical or fraudulent activity.	12	12	4		1	29	83%

Exhibit 5: Policies & Procedures

Statement	SA	A	N	D	SD	Total	Percent (Agree or Strongly Agree)
1. The policies and procedures in my division(s) allow me to do my job effectively.	10	10	3	4	2	29	69%
2. Employees who steal from ORS (physical property, money, information, time) will be discovered.	13	9	3	1		26	85%
3. Employees who steal from ORS and are discovered will be subject to appropriate consequences.	14	9	3	1		27	85%
4. Employees who break laws and regulations affecting ORS will be discovered.	13	11	2	1		27	89%
5. Employees who break laws and regulations affecting ORS and are discovered will be subject to appropriate consequences.	15	8	2			25	92%