

FINAL AUDIT REPORT



A Report to the City Commission

Mayor
Lauren Poe

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**City of
Gainesville Office
of the City
Auditor**

Carlos L. Holt – City Auditor

Office of Equal Opportunity Mandatory Annual Diversity Training Audit

August 2, 2018

EXECUTIVE SUMMARY

August 2, 2018



Why We Did This Audit

The audit was included in the City Auditor's 2018 Fiscal Year Audit Plan at the request of the former Office of Equal Opportunity Director.

What We Recommend

Key actions the Office of Equal Opportunity should take:

- Establish a formal policy and procedure that includes guidance for:
 - planning, execution, and evaluation of the Mandatory Annual Diversity Training
 - assessing the organizational needs
 - establishing expected timelines to complete the training
 - reviewing published reports for accuracy
- Evaluate the Mandatory Annual Diversity Training effectiveness through completion, employee feedback, and meaningful analytics.

Mandatory Annual Diversity Training Audit

BACKGROUND

The City of Gainesville Office of Equal Opportunity's mission is to ensure equal opportunity/equal access to employment, housing, public accommodations and credit within the Gainesville City limits without regard to an individual's sex, race, religion, national origin, marital status, sexual orientation, color, age, disability or gender identity, and to work to ensure the City's workforce is diverse and well trained.

To execute that mission the Office of Equal Opportunity purchased and disseminated an online Mandatory Annual Diversity Training for all employees. This training is designed to provide all employees a broad perspective on the issue of diversity and how it impacts the workforce. The training focused on:

- 1) Employees completely understanding their rights and responsibilities regarding discrimination, harassment, and inappropriate conduct
- 2) Reviewing all Equal Opportunity policies and procedures including the American Disability Act
- 3) Being sensitive to diversity and inclusion in the workplace and recognizing our differences. This mandatory training is now offered every year to all employees

The training has only been available to complete online for Fiscal Year 2016 and Fiscal Year 2017.

OBJECTIVES

The objectives of the audit were to determine the following:

- Did all employees complete the Mandatory Annual Diversity Training in Fiscal Year 2016 and Fiscal Year 2017?
- Were the goals and objectives set out by the Office of Equal Opportunity for the training accomplished?
- Did the completion of training have a direct correlation with the number of Office of Equal Opportunity complaints in Fiscal Year 2016 and Fiscal Year 2017?

WHAT WE FOUND

- Policies, procedures, and performance indicators related to Office of Equal Opportunity's Mandatory diversity training are not adequately designed or implemented.

GOVERNANCE

Ownership of the Mandatory Annual Diversity Training resides in the Office of Equal Opportunity. The process, obtaining the vendor, planning and execution of the Mandatory Annual Diversity Training in Fiscal Year 2016 and Fiscal Year 2017, was under the direct supervision of the former Equal Opportunity Director (see *Observation* related to policies, procedures, and performance indicators).

SCOPE AND METHODOLOGY

The audit scope is the Mandatory Annual Diversity Training for Fiscal Year 2016 and Fiscal Year 2017.

During the engagement, we interviewed management and key personnel, attended meetings, observed processes, and conducted a review and analysis of internal documentation.

OBJECTIVES AND CONCLUSIONS

1. Did all employees complete the Mandatory Annual Diversity Training in Fiscal Year 2016 and Fiscal Year 2017?

Undeterminable.

2. Were the goals and objectives set out by the Office of Equal Opportunity for the training accomplished?

Undeterminable.

3. Did the completion of training have a direct correlation with the number of EO complaints in Fiscal Year 2016 and Fiscal Year 2017?

Undeterminable.

Based on the interviews performed and support provided, we were unable to perform further procedures due to insufficient data, support and lack of metrics being tracked to properly conclude. We also noted the Office of Equal Opportunity lacked a formal and consistent process of administering, reviewing, and reporting the results of the annual training.

AUDIT OBSERVATION

Internal control helps entities achieve important objectives and sustain and improve performance. The Committee of Sponsoring Organizations of the Treadway Commission (COSO), *Internal Control – Integrated Framework (2013 Framework)*, enables organizations to effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization. The audit observations listed are offered to help management fulfill their internal control responsibilities.

Observation: Procedures and performance indicators surrounding the Office of Equal Opportunity’s mandatory diversity training are not adequately designed nor implemented.

Condition: (describes what we found)

During our review of the Office of Equal Opportunity’s mandatory diversity training process, we found:

- The process and related procedures are not formally documented
- There are no performance indicators or alternative means of measuring the effectiveness of the training to validate that both the organization and the employee are receiving value
- The FY17 mandatory diversity training completion reports (by employee) posted on the Office of Equal Opportunity website contained inaccurate information about employee work locations

Cause: (explains why the condition occurred)

The underlying cause for the conditions noted above was the lack of effective planning and data assessment during the roll out of the online mandatory diversity training. Consequently, the process was not sufficiently refined nor properly monitored in subsequent years. Due to the lack of maturity of the program and minimal data, management did not allow sufficient time to measure the results and determine if objectives have been met.

Criteria: (describes what “should be” based on principles, policies, procedures, etc.)

The Committee of Sponsoring Organizations of the Treadway Commission, *Internal Control – Integrated Framework (2013 Framework)*:

- Control Environment – Principle 5 - “The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.”
- Risk Assessment – Principle 7 - “The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.”
- Control Activities – Principle 12 - “The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.”
- Information and communication – Principle 14 - “The organization internally communicates information, including objectives and responsibilities for internal controls, necessary to support the functioning of internal control.”
- Monitoring – Principle 16 - “The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.”

Effect: (describes the potential impact and any adverse results)

The potential effect of conducting the necessary planning and assessment coupled with the lack of documented procedures and performance indicators may result in:

- Employees not completing the training, causing a lack of awareness and increased incidents of discrimination or harassment
- Insufficient, inaccurate, or incomplete training records resulting in greater risks of non-compliance with policies
- Users perceiving training completion records as unreliable and training not useful to the organization

Risks: (describes the major risks or exposure to the City)

- Lack of data integrity in published reports
- Incomplete and unreliable training records
- Potential noncompliance with policies
- Increased incidents of discrimination or harassment

Recommendations for Management:

The following recommendations are the suggested corrective actions needed to mitigate the risk of the identified condition, cause, and potential effects noted in each of the following Observations:

- 1) Establish a formal policy and procedure that addresses the:
 - a) planning, execution, and evaluation of the mandatory diversity training
 - b) assessment of organizational needs
 - c) expectation of Charter Officers to enforce completion of the mandatory diversity training
 - d) review of published reports for accuracy
- 2) Training effectiveness should be evaluated through completion, employee feedback, and meaningful analytics that measures the effectiveness of the training

GOVERNMENT AUDITING STANDARDS COMPLIANCE

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

AUDIT TEAM

Carlos L. Holt, CPA, CFF, CIA, CGAP, CFE, City Auditor


Eileen M. Marzak, CPA, CFE, Assistant City Auditor

Emily Bowie, CPA, Senior Auditor

Gainesville.
Citizen centered
People empowered

Office of Equal Opportunity

P O Box 490, Station 52
Gainesville, FL 32627-0490
(352) 334-5051
www.cityofgainesville.org

DATE: July 6, 2018
TO: Carlos Holt, City Auditor
FROM: Dr. Bridget S. Lee, Interim Equal Opportunity Director 
SUBJECT: OEO Response - Annual Mandatory Diversity Training Audit

Please see the attached response from the Office of Equal Opportunity.

Feel free to contact me directly if you have any questions or require additional information.

/zl

OUR VISION: The City of Gainesville will set the standard of excellence for a top ten mid-sized American city; recognized nationally as an innovative provider of high-quality, cost-effective services.

APPENDIX A – OFFICE OF EQUAL OPPORTUNITY RESPONSE AND CORRECTIVE ACTION PLAN

We believe that management is in a unique position to best understand their operations and may be able to identify more innovative and effective approaches, and we encourage them to do so when providing responses to our recommendations.

Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
<p>Observation: Procedures and performance indicators surrounding the Office of Equal Opportunity’s mandatory diversity training are not adequately designed nor implemented.</p> <p>Management should address the risk surrounding the process by:</p>		
<p>1. Establishing a formal policy and procedure that addresses the:</p> <ul style="list-style-type: none"> a) planning, execution, and evaluation of the mandatory diversity training b) assessment of organizational needs c) expectation of Charter Officers to enforce the completion of the mandatory diversity training d) review of published reports for accuracy 	<ul style="list-style-type: none"> • Currently reviewing EO policies relating to annual training to ensure “mandatory” is stated • Develop procedural manual for annual mandatory diversity training • Develop strategy to access organizational diversity training needs. <ul style="list-style-type: none"> ○ OEO will evaluate strategy and needs annually ○ Establish goals and objectives for annual mandatory diversity training • Adopt policy which addresses mandatory completion of diversity training with buy-in/support of Charters Officer • Establish review protocol of reports prior to release 	<p>In process 12/31/18</p> <p>In process 12/31/18</p> <p>12/31/18</p> <p>12/31/18</p> <p>Completed</p>
<p>2. Training effectiveness should be evaluated through completion, employee feedback, and meaningful analytics that measures the effectiveness of the training.</p>	<ul style="list-style-type: none"> • Conduct focus group with Employee Diversity & Inclusion Advisory Committee regarding annual mandatory diversity training • Implement Pre-test and Post-test evaluation for annual mandatory diversity training • Enlist employee feedback through built-in survey at end of annual mandatory diversity training • Compare number and types of complaints to previous year 	<p>10/31/18</p> <p>07/01/19</p> <p>07/01/19</p> <p>09/30/18</p>