



# Express Memo

## Express Risk Survey - Fraud Risk Checkup

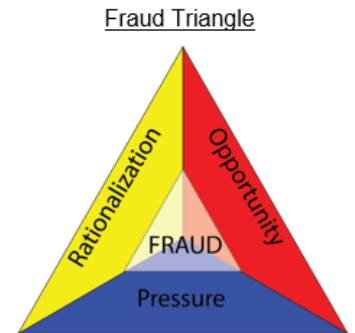


#2021-06  
Report Date: 03/03/2021

### Background

According to Donald Cressey, a renowned American sociologist and criminologist, the following 3 factors must all be present for fraud to occur:

1. Opportunity – a weak internal control system, poor security over company property, little fear of exposure and likelihood of detection, or unclear policies with regard to acceptable behavior.
2. Pressure – financial need or greed.
3. Rationalization – belief that the action is necessary, harmless, and/or justified.



This theory is known as the “Fraud Triangle”.

With the COVID-19 pandemic, there has been an increase in the opportunities, pressures, and rationalizations that contribute to the risk of fraud. Opportunities have increased with the shift in focus to operational measures rather than compliance and due to staffing shortages resulting from illness. Pressures or financial needs may have increased due to job loss, inability to pay rent/mortgage, or increased medical bills. The increased pressures result in the rationalization for committing the fraud.

### Objective/Scope/Methodology

The Express Risk Survey - Fraud Risk Checkup was created to assist the City in identifying, assessing, and addressing its risks related to fraud. This survey was distributed to the City’s 15 Department Directors for completion on February 3, 2021 and Internal Audit received all responses by February 23, 2021.

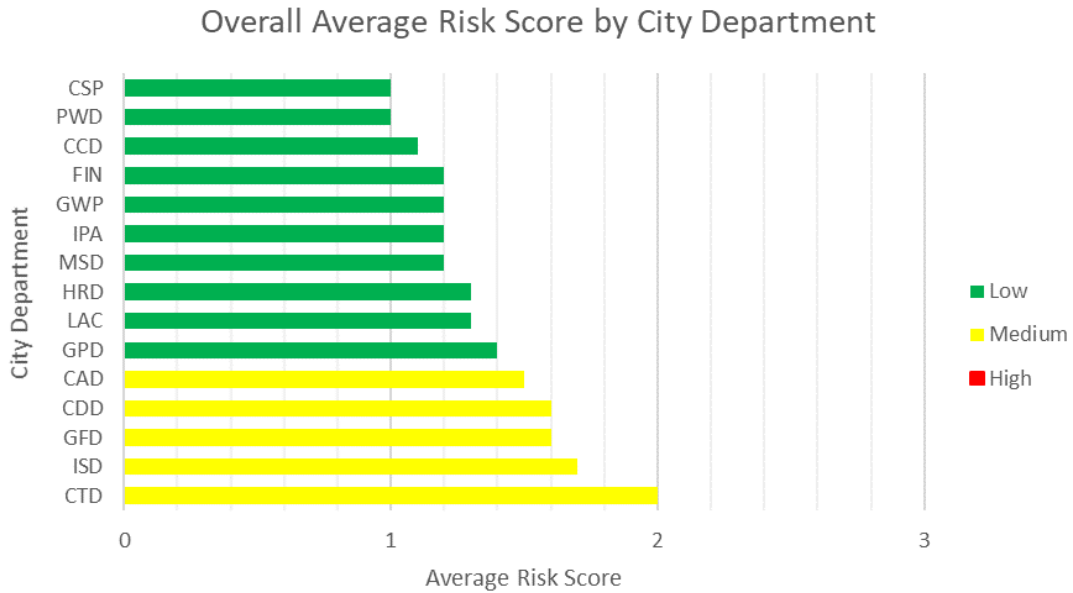
Once department directors completed the survey, Internal Audit provided a graphical summary of the department’s results along with the Risks and Mitigation Measures Checklist to assist the department in addressing their risks. Internal Audit has summarized the survey results from all responding departments which are included in this memo. The detailed methodology is attached as Appendix A, the Citywide Survey Results by Question is attached as Appendix B, a sample of the report provided to departments is attached as Appendix C, and the survey questionnaire is attached as Appendix D.

### By the Numbers

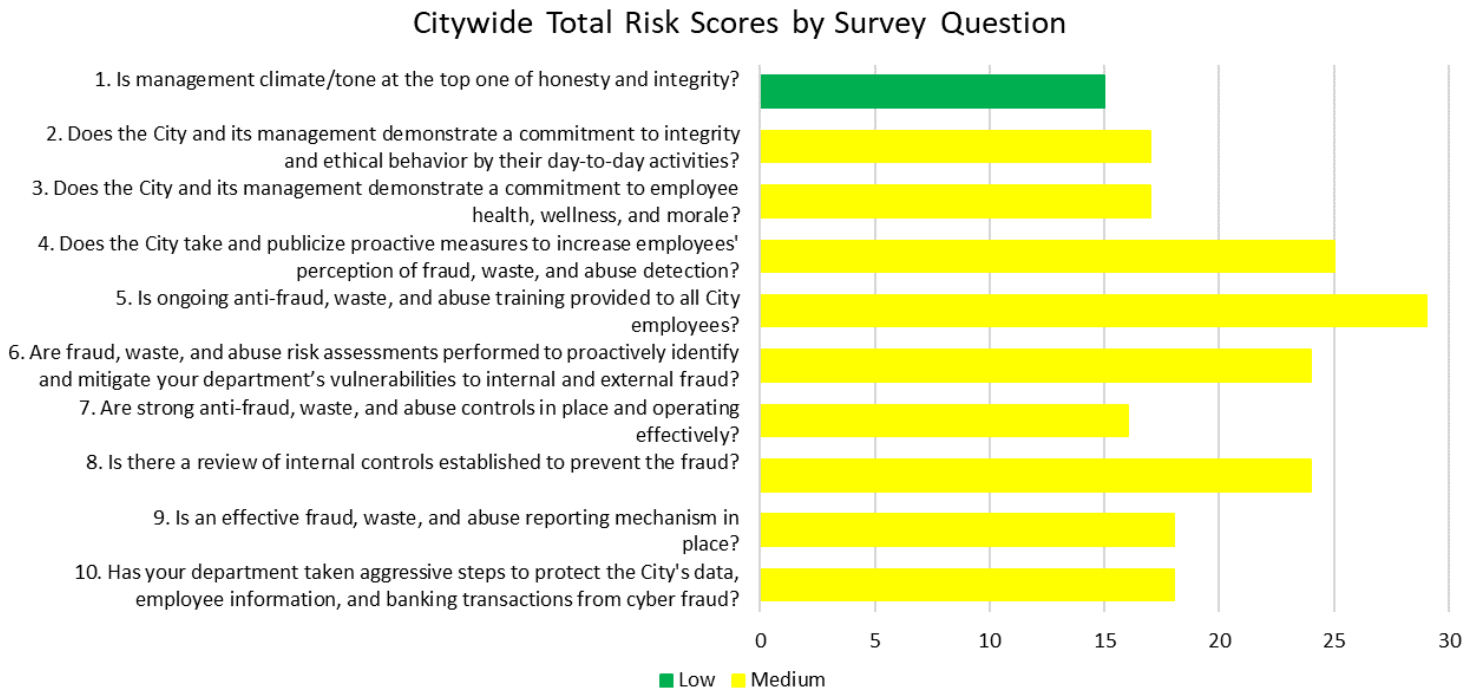
| 0   | 5   | 10   |
|---|---|--|
| Departments with an Overall “High” Risk Score | Departments with an Overall “Medium” Risk Score | Departments with an Overall “Low” Risk Score |

# Risk Assessment Results

The Overall Average Risk Score by City Department chart below shows the risk assessment result based upon the average City Department risk score. Ten departments were categorized as low risk and 5 departments were categorized as medium risk. The average risk score was 1.4 with the lowest being 1 and the highest 2.



The Citywide Total Risk Scores by Survey Question chart below shows the risk assessment result based upon the aggregated City department risk scores. One risk question was categorized as low risk and 9 risk questions were categorized as medium risk. The average total risk score was 20.3 with the lowest being 15 and the highest 29.



## Detailed Risk Assessment Results

The table below summarizes the Citywide total risk assessment result by survey question.

Citywide Risk Score Legend: ■ Low (1-15) ■ Medium (16-30) ■ High (31-45)

| Ref | Description   | Total Risk Score |
|-----|---|------------------|
| 1.  | Is management climate/tone at the top one of honesty and integrity?   | 15               |
| 2.  | Does the City and its management demonstrate a commitment to integrity and ethical behavior by their day-to-day activities?                                   | 17               |
| 3.  | Does the City and its management demonstrate a commitment to employee health, wellness, and morale?   | 17               |
| 4.  | Does the City take and publicize proactive measures to increase employees' perception of fraud, waste, and abuse detection?                                   | 25               |
| 5.  | Is ongoing anti-fraud, waste, and abuse training provided to all City employees?  | 29               |
| 6.  | Are fraud, waste, and abuse risk assessments performed to proactively identify and mitigate your department's vulnerabilities to internal and external fraud? | 24               |
| 7.  | Are strong anti-fraud, waste, and abuse controls in place and operating effectively?  | 16               |
| 8.  | Is there a review of internal controls established to prevent the fraud?  | 24               |
| 9.  | Is an effective fraud, waste, and abuse reporting mechanism in place?   | 18               |
| 10. | Has your department taken aggressive steps to protect the City's data, employee information, and banking transactions from cyber fraud?                       | 18               |

These survey results will also be used for Internal Audit's ongoing risk assessment to identify potential areas for audit.

## Recommendations and Action Plan

It is recommended that City and department management address the higher risk areas with the appropriate mitigating controls, continue to assess the fraud related risks and take appropriate actions.

# Distribution List

| For Action   | For Information   |
|--|---|
| <ul style="list-style-type: none"> <li>Aram Adjemian, City Clerk</li> </ul>                                      | <ul style="list-style-type: none"> <li>Roubik Golanian, Interim City Manager</li> </ul> |
| <ul style="list-style-type: none"> <li>Elena Bolbolian, Director of Innovation, Performance and Audit</li> </ul> | <ul style="list-style-type: none"> <li>Audit Committee</li> </ul>                       |
| <ul style="list-style-type: none"> <li>Jason Bradford, Chief Information Officer</li> </ul>                      | <ul style="list-style-type: none"> <li>City Council</li> </ul>                          |
| <ul style="list-style-type: none"> <li>Onnig Bulanikian, Director of Community Services &amp; Parks</li> </ul>   |   |
| <ul style="list-style-type: none"> <li>Matthew Doyle, Director of Human Resources</li> </ul>                     |   |
| <ul style="list-style-type: none"> <li>Yazdan Emrani, Director of Public Works</li> </ul>                        |   |
| <ul style="list-style-type: none"> <li>Michele Flynn, Director of Finance</li> </ul>                             |   |
| <ul style="list-style-type: none"> <li>Michael Garcia, City Attorney</li> </ul>                                  |   |
| <ul style="list-style-type: none"> <li>Philip Lanzafame, Director of Community Development</li> </ul>            |   |
| <ul style="list-style-type: none"> <li>Silvio Lanzas, Fire Chief</li> </ul>                                      |   |
| <ul style="list-style-type: none"> <li>Rafi Manoukian, City Treasurer</li> </ul>                                 |   |
| <ul style="list-style-type: none"> <li>Carl Povilaitis, Police Chief</li> </ul>                                  |   |
| <ul style="list-style-type: none"> <li>Gary Shaffer, Director of Library, Arts &amp; Culture</li> </ul>          |   |
| <ul style="list-style-type: none"> <li>John Takhtalian, Deputy City Manager</li> </ul>                           |   |
| <ul style="list-style-type: none"> <li>Mark Young, Acting General Manager - GWP</li> </ul>                       |   |

# Appendix A: Detailed Methodology

## Methodology

The Fraud Risk Checkup is part of the Express Risk Surveys performed by Internal Audit.

Internal Audit performed best practice research and developed risk related questions to include within a survey distributed to management. The survey was developed to identify key risks and mitigating factors implemented by management.

Each question had two parts, the first part was the risk question and was followed-up with a mitigating control question. Each risk question had three available answers (Yes, No, or Not Sure). Each mitigating control question asked the respondent to select all controls applicable to their department. The risk and mitigating control question scores were added together to determine the department's collective risk score. For the risk question, when a risk or potential risk was identified, it received a risk score of 3. When a risk was not present, the risk question received a score of 1. For the mitigating control question, when the respondent identified that their department had a risk, but implemented one or more of the mitigating controls, it received a score of negative 1. When no risk was identified or no mitigating controls were present, the mitigating control question received a score of 0. The lowest available score was 1.

| Ref #        | Question           | Answer      | Score |
|--------------|--------------------|-------------|-------|
| 1            | Risk               | No/Not Sure | 3     |
| 1a           | Mitigating Control | Yes         | -1    |
| <b>Total</b> |                    |             | 2     |

The Citywide risk level was determined based upon the department scores as defined below. The Citywide score is the aggregate of the departments' scores. The risk level was determined based upon the total risk score as a percentage of the maximum available risk score.

| Risk Level | Department Risk Score | Citywide Risk Score |
|------------|-----------------------|---------------------|
| Low        | 1                     | 1-15                |
| Medium     | 2                     | 16-30               |
| High       | 3                     | 31-45               |

## Survey Limitation

The risk score was calculated based upon responses received from departments. Departments were only required to have implemented one of the mitigating factors in order to reduce their risk score by 1 point. It should be noted that department responses were not verified by Internal Audit.

# Appendix B: Citywide Survey Results by Question

The matrix below represents the Citywide survey results by question.

| Ref | Question  | Yes | No | Not Sure |
|-----|---|-----|----|----------|
| 1.  | Is management climate/tone at the top one of honesty and integrity?   | 15  | 0  | 0        |
| 1a. | Employees are periodically surveyed to determine the extent to which they believe management acts with honesty and integrity;   | 2   | 13 |          |
|     | Performance goals are realistic and clearly communicated;   | 13  | 2  |          |
|     | Fraud, waste, and abuse prevention goals have been incorporated into the performance measures that are used to evaluate managers;   | 9   | 6  |          |
|     | The organization established, implemented, and tested a process for oversight of fraud risks by the board of directors or others charged with governance (e.g., the audit committee). | 9   | 6  |          |
| 2.  | Does the City and its management demonstrate a commitment to integrity and ethical behavior by their day-to-day activities?   | 14  | 0  | 1        |
| 2a. | Departmental employees are familiar with the City's Employee Code of Ethics;  | 13  | 2  |          |
|     | City's Employee Code of Ethics is posted in a common area within your department and is available on the City's intranet;   | 11  | 4  |          |
|     | Departmental employees are familiar with the City's Administration Policy Manual 4-35: Policy on Fraud, Waste and Abuse;  | 11  | 4  |          |
|     | Ethics Trainings are conducted on a periodic basis;   | 7   | 8  |          |
|     | Department employees are required to complete an annual conflict of interest statement;   | 11  | 4  |          |
|     | Department employees are required to sign an acknowledgment that they have received the City's Code of Ethics and that they understand it.  | 7   | 8  |          |
| 3.  | Does the City and its management demonstrate a commitment to employee health, wellness, and morale?   | 14  | 0  | 1        |
| 3a. | Employee support programs are in place to assist employees struggling with addiction, mental/emotional health, family, or financial problems;   | 13  | 2  |          |
|     | An open-door policy is in place that allows employees to speak freely about pressures, providing management the opportunity to alleviate such pressures before they become acute;     | 14  | 1  |          |
|     | Regular, anonymous surveys are conducted to assess employee morale.   | 1   | 14 |          |

## Appendix B: Citywide Survey Results by Question (cont'd)

| Ref | Question   | Yes | No | Not Sure |
|-----|--|-----|----|----------|
| 4.  | Does the City take and publicize proactive measures to increase employees' perception of fraud, waste, and abuse detection?  | 7   | 2  | 6        |
| 4a. | Possible fraudulent, wasteful, or abusive conduct is aggressively sought out, rather than dealt with passively;  | 6   | 9  |          |
|     | Surprise fraud, waste, and abuse audits are performed in addition to regularly scheduled audits;   | 3   | 12 |          |
|     | Data analytics techniques are used to proactively search for fraud, waste, and abuse and the use of such techniques have been made known throughout the organization;  | 4   | 11 |          |
|     | Managers actively review the controls, processes, accounts, or transactions under their purview for adherence to company policies and expectations.  | 12  | 3  |          |
| 5.  | Is ongoing anti-fraud, waste, and abuse training provided to all City employees?   | 3   | 7  | 5        |
| 5a. | Employees have been trained on the Fraud Triangle Model - Fraud is likely to result from a combination of motivation, opportunity, and rationalization;  | 1   | 14 |          |
|     | Employees understand what constitutes fraud, waste, and abuse;   | 8   | 7  |          |
|     | The costs of fraud, waste, and abuse to the City and everyone in it—including lost revenues, adverse publicity, potential job loss, and decreased morale and productivity—have been made clear to all employees; | 8   | 7  |          |
|     | The City and its departments have a protocol for handling confidential complaints;   | 12  | 3  |          |
|     | Employees know where to seek advice when faced with uncertain ethical decisions, and they believe that they can speak freely;  | 12  | 3  |          |
|     | A policy of zero-tolerance for fraud has been communicated to employees through words and actions.   | 13  | 2  |          |
| 6.  | Are fraud, waste, and abuse risk assessments performed to proactively identify and mitigate your department's vulnerabilities to internal and external fraud?  | 9   | 4  | 2        |
| 6a. | Department performs periodic fraud risk assessments;   | 6   | 9  |          |
|     | Department fraud risk assessment includes inherent fraud risk;   | 4   | 11 |          |
|     | Department fraud risk assessment includes likelihood and impact of fraud and risk response;  | 4   | 11 |          |
|     | Proactive steps are taken on a periodic basis to assess department risks and improve internal controls related to potential fraud.   | 12  | 3  |          |


## Appendix B: Citywide Survey Results by Question (cont'd)

| Ref  | Question   | Yes | No | Not Sure |
|------|--|-----|----|----------|
| 7.   | Are strong anti-fraud, waste, and abuse controls in place and operating effectively?   | 14  | 0  | 1        |
| 7a.  | Proper separation of duties;   | 15  | 0  |          |
|      | Use of authorizations;   | 14  | 1  |          |
|      | Physical safeguards;   | 11  | 4  |          |
|      | Job/Assignment rotations;  | 9   | 6  |          |
|      | Mandatory vacations;   | 1   | 14 |          |
|      | Granting and periodic review of employees' access rights to each applications system is based on their roles and job functions;  | 12  | 3  |          |
|      | Departments should require individual user ids and passwords for all system applications and prohibit employees from using generic user ids and/or sharing passwords.  | 7   | 8  |          |
| 8.   | Is there a review of internal controls established to prevent the fraud?   | 9   | 1  | 5        |
| 8a.  | Processes have been established to record, and analyze all fraud incidents;  | 6   | 9  |          |
|      | Internal controls related to the fraud incident are reviewed for potential improvement;  | 10  | 5  |          |
|      | Effective monitoring and review procedures that will promptly detect acts of wrongdoing should prevention efforts fail.  | 8   | 7  |          |
| 9.   | Is an effective fraud, waste, and abuse reporting mechanism in place?  | 13  | 0  | 2        |
| 9a.  | Employees have been informed on how to communicate concerns about known or potential wrongdoing;   | 12  | 3  |          |
|      | One or more reporting channels (e.g., City's third-party Employee Hotline, dedicated email inbox, or web-based form) are available to employees;   | 14  | 1  |          |
|      | Employees trust that they can report concerns regarding ethics, fraud or questionable business activities anonymously and/or confidentially (where legally permissible) and without fear of reprisal through the City's Employee Hotline in accordance with Administrative Policy Manual 4-33: Policy Prohibiting Retaliation; | 13  | 2  |          |
|      | It has been made clear to employees that reports of suspicious activity will be promptly and thoroughly evaluated;   | 13  | 2  |          |
|      | Reporting policies and mechanisms extend to vendors, customers, and other outside parties.   | 6   | 9  |          |
| 10.  | Has your department taken aggressive steps to protect the City's data, employee information, and banking transactions from cyber fraud?  | 13  | 0  | 2        |
| 10a. | Video conferencing is initiated by the City through ISD authorized tools, such as WebEx or Microsoft Teams;  | 14  | 1  |          |
|      | Staff are directed to only download items from verified sources and never click unusual URLs or attachments;   | 13  | 2  |          |
|      | Staff are requested to utilize a strong password for home Wi-Fi;   | 9   | 6  |          |
|      | Staff are requested to avoid public and unprotected networks;  | 9   | 6  |          |
|      | Staff are limited to accessing the City's network via a virtual private network (VPN).   | 11  | 4  |          |




# Appendix C: Sample Departmental Report

The report below represents a sample department specific report and complete risk and mitigation measures checklist provided to each respondent.



## Express Risk Survey Fraud Risk Checklist

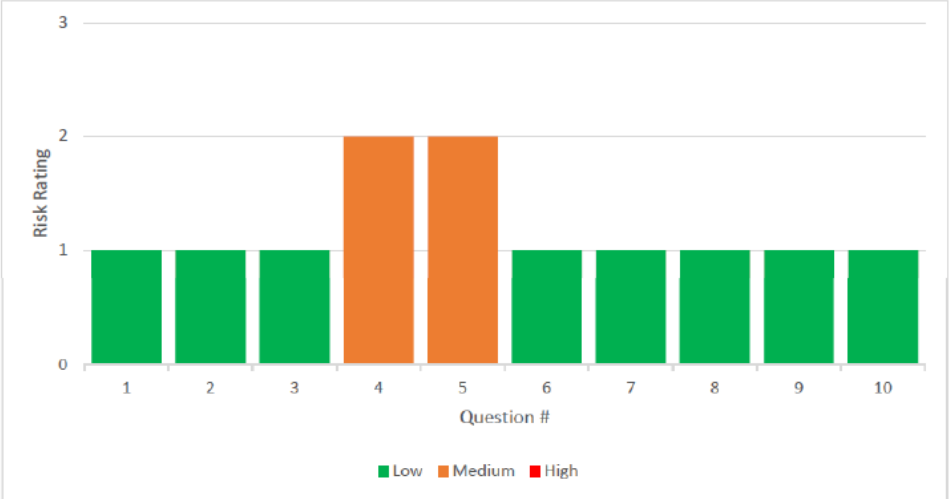


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**Survey #:** [REDACTED] **Date:** February 3, 2021  
**Department:** [REDACTED]

Thank you very much for your participation in the Express Risk Survey - Fraud Risk Checklist. Below please find your risk score result visualization and your overall risk score. Additionally, please find the risks and mitigation measures checklist for your review and reference.

### Fraud Risk Checklist Survey Result



| Question # | Low | Medium | High |
|------------|-----|--------|------|
| 1          | 1   | 0      | 0    |
| 2          | 1   | 0      | 0    |
| 3          | 1   | 0      | 0    |
| 4          | 0   | 2      | 0    |
| 5          | 0   | 2      | 0    |
| 6          | 1   | 0      | 0    |
| 7          | 1   | 0      | 0    |
| 8          | 1   | 0      | 0    |
| 9          | 1   | 0      | 0    |
| 10         | 1   | 0      | 0    |

### Overall Risk Score

| Question | Low | Medium | High | Risk Score |
|----------|-----|--------|------|------------|
| 1        | 1   |        |      | 1          |
| 2        | 1   |        |      | 1          |
| 3        | 1   |        |      | 1          |
| 4        |     | 2      |      | 2          |
| 5        |     | 2      |      | 2          |
| 6        | 1   |        |      | 1          |
| 7        | 1   |        |      | 1          |
| 8        | 1   |        |      | 1          |
| 9        | 1   |        |      | 1          |
| 10       | 1   |        |      | 1          |

**Total Risk Score:** 12

**Average Risk Score:** 1.2

**Overall Risk Score:** Low Risk

# Appendix C: Sample Departmental Report (cont'd)

## Risks and Mitigation Measures Checklist

|   | Question  | Mitigating Factors   |
|---|---|--|
| 1 | Is management climate/tone at the top one of honesty and integrity?   | <input type="checkbox"/> Employees are periodically surveyed to determine the extent to which they believe management acts with honesty and integrity;<br><input type="checkbox"/> Performance goals are realistic and clearly communicated;<br><input type="checkbox"/> Fraud, waste, and abuse prevention goals have been incorporated into the performance measures that are used to evaluate managers;<br><input type="checkbox"/> The organization established, implemented, and tested a process for oversight of fraud risks by the board of directors or others charged with governance (e.g., the audit committee).   |
| 2 | Does the City and its management demonstrate a commitment to integrity and ethical behavior by their day-to-day activities? | <input type="checkbox"/> Departmental employees are familiar with the City's Employee Code of Ethics;<br><input type="checkbox"/> City's Employee Code of Ethics is posted in a common area within your department and is available on the City's intranet;<br><input type="checkbox"/> Departmental employees are familiar with the City's Administration Policy Manual 4-35: Policy on Fraud, Waste and Abuse;<br><input type="checkbox"/> Ethics Trainings are conducted on a periodic basis;<br><input type="checkbox"/> Department employees are required to complete an annual conflict of interest statement;<br><input type="checkbox"/> Department employees are required to sign an acknowledgment that they have received the City's Code of Ethics and that they understand it.  |
| 3 | Does the City and its management demonstrate a commitment to employee health, wellness, and morale?                         | <input type="checkbox"/> Employee support programs are in place to assist employees struggling with addiction, mental/emotional health, family, or financial problems;<br><input type="checkbox"/> An open-door policy is in place that allows employees to speak freely about pressures, providing management the opportunity to alleviate such pressures before they become acute;<br><input type="checkbox"/> Regular, anonymous surveys are conducted to assess employee morale.   |
| 4 | Does the City take and publicize proactive measures to increase employees' perception of fraud, waste, and abuse detection? | <input type="checkbox"/> Possible fraudulent, wasteful, or abusive conduct is aggressively sought out, rather than dealt with passively;<br><input type="checkbox"/> Surprise fraud, waste, and abuse audits are performed in addition to regularly scheduled audits;<br><input type="checkbox"/> Data analytics techniques are used to proactively search for fraud, waste, and abuse and the use of such techniques have been made known throughout the organization;<br><input type="checkbox"/> Managers actively review the controls, processes, accounts, or transactions under their purview for adherence to company policies and expectations.  |
| 5 | Is ongoing anti-fraud, waste, and abuse training provided to all City employees?  | <input type="checkbox"/> Employees have been trained on the Fraud Triangle Model - Fraud is likely to result from a combination of motivation, opportunity, and rationalization;<br><input type="checkbox"/> Employees understand what constitutes fraud, waste, and abuse;<br><input type="checkbox"/> The costs of fraud, waste, and abuse to the City and everyone in it—including lost revenues, adverse publicity, potential job loss, and decreased morale and productivity—have been made clear to all employees;<br><input type="checkbox"/> The City and its departments have a protocol for handling confidential complaints;<br><input type="checkbox"/> Employees know where to seek advice when faced with uncertain ethical decisions, and they believe that they can speak freely;<br><input type="checkbox"/> A policy of zero-tolerance for fraud has been communicated to employees through words and actions. |

# Appendix C: Sample Departmental Report (cont'd)

|    | Question  | Mitigating Factors  |
|----|---|---|
| 6  | Are fraud, waste, and abuse risk assessments performed to proactively identify and mitigate your department's vulnerabilities to internal and external fraud? | <input type="checkbox"/> Department performs periodic fraud risk assessments;<br><input type="checkbox"/> Department fraud risk assessment includes inherent fraud risk;<br><input type="checkbox"/> Department fraud risk assessment includes likelihood and impact of fraud and risk response;<br><input type="checkbox"/> Proactive steps are taken on a periodic basis to assess department risks and improve internal controls related to potential fraud.   |
| 7  | Are strong anti-fraud, waste, and abuse controls in place and operating effectively?  | Strong anti-fraud controls that should be implemented and tested to ensure that they are operating effectively, include the following:<br><input type="checkbox"/> Proper separation of duties;<br><input type="checkbox"/> Use of authorizations;<br><input type="checkbox"/> Physical safeguards;<br><input type="checkbox"/> Job/Assignment rotations;<br><input type="checkbox"/> Mandatory vacations;<br><input type="checkbox"/> Granting and periodic review of employees' access rights to each applications system is based on their roles and job functions;<br><input type="checkbox"/> Departments should require individual user ids and passwords for all system applications and prohibit employees from using generic user ids and/or sharing passwords.  |
| 8  | Is there a review of internal controls established to prevent the fraud?  | <input type="checkbox"/> Processes have been established to record, and analyze all fraud incidents;<br><input type="checkbox"/> Internal controls related to the fraud incident are reviewed for potential improvement;<br><input type="checkbox"/> Effective monitoring and review procedures that will promptly detect acts of wrongdoing should prevention efforts fail.  |
| 9  | Is an effective fraud, waste, and abuse reporting mechanism in place?   | <input type="checkbox"/> Employees have been informed on how to communicate concerns about known or potential wrongdoing;<br><input type="checkbox"/> One or more reporting channels (e.g., City's third-party Employee Hotline, dedicated email inbox, or web-based form) are available to employees;<br><input type="checkbox"/> Employees trust that they can report concerns regarding ethics, fraud or questionable business activities anonymously and/or confidentially (where legally permissible) and without fear of reprisal through the City's Employee Hotline in accordance with Administrative Policy Manual 4-33: Policy Prohibiting Retaliation;<br><input type="checkbox"/> It has been made clear to employees that reports of suspicious activity will be promptly and thoroughly evaluated;<br><input type="checkbox"/> Reporting policies and mechanisms extend to vendors, customers, and other outside parties. |
| 10 | Has your department taken aggressive steps to protect the City's data, employee information, and banking transactions from cyber fraud?                       | <input type="checkbox"/> Video conferencing is initiated by the City through ISD authorized tools, such as WebEx or Microsoft Teams;<br><input type="checkbox"/> Staff are directed to only download items from verified sources and never click unusual URLs or attachments;<br><input type="checkbox"/> Staff are requested to utilize a strong password for home Wi-Fi;<br><input type="checkbox"/> Staff are requested to avoid public and unprotected networks;<br><input type="checkbox"/> Staff are limited to accessing the City's network via a virtual private network (VPN).   |

# Appendix D: Survey Questionnaire

Below is a copy of the risk survey questions.

2/25/2021

Glendale, CA : Express Risk Survey - Fraud Risk Checkup

## Express Risk Survey - Fraud Risk Checkup

### Express Risk Survey - Fraud Risk Checkup

The City is committed to protecting its revenue, property and assets from occurrences of fraud, waste and abuse. COVID-19 has caused unprecedented change to many aspects of each organization, including the control environment. Business processes are more exposed and people are more vulnerable. Internal Audit has developed a survey in order to determine the level of fraud risk facing each City department.

Per the City's policy titled Fraud, Waste and Abuse (APM 4-35), management is responsible for designing and implementing systems and procedures for the prevention and detection of fraud, waste and abuse, and for ensuring a culture and environment that promotes honesty and ethical behavior. Members of the City's executive and management team are responsible for initiating preventive measures and for being familiar with and alert to the types of improprieties or irregularities that might occur within their area of responsibility. All City employees are required to immediately report suspected fraud, waste or abuse.

#### **Survey Completion Timeline:**

We ask that you complete this survey by **February 15, 2021**.

Upon completion, you will receive your risk score and a risks and mitigation measures checklist for your review and reference.

Please contact Internal Audit at [InternalAuditSurvey@glendaleca.gov](mailto:InternalAuditSurvey@glendaleca.gov) with any questions.

We appreciate your participation in this important survey.

**Department: \***

(Select an Answer) ▼

1. Is management climate/tone at the top one of honesty and integrity? \*

- Yes
- No
- Not Sure

1a. Please select all of the controls that apply to your department.

- Employees are periodically surveyed to determine the extent to which they believe management acts with honesty and integrity;
- Performance goals are realistic and clearly communicated;
- Fraud, waste, and abuse prevention goals have been incorporated into the performance measures that are used to evaluate managers;
- The organization established, implemented, and tested a process for oversight of fraud risks by the board of directors or others charged with governance (e.g., the audit committee).

# Appendix D: Survey Questionnaire (cont'd)

2/25/2021

Glendale, CA : Express Risk Survey - Fraud Risk Checkup

2. Does the City and its management demonstrate a commitment to integrity and ethical behavior by their day-to-day activities?

\*

- Yes
- No
- Not Sure

2a. Please select all of the controls that apply to your department.

- Departmental employees are familiar with the City's Employee Code of Ethics;
- City's Employee Code of Ethics is posted in a common area within your department and is available on the City's intranet;
- Departmental employees are familiar with the City's Administration Policy Manual 4-35: Policy on Fraud, Waste and Abuse;
- Ethics Trainings are conducted on a periodic basis;
- Department management employees are required to complete an annual conflict of interest statement;
- Department employees are required to sign an acknowledgment that they have received the City's Code of Ethics and that they understand it.

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3. Does the City and its management demonstrate a commitment to employee health, wellness, and morale? \*

- Yes
- No
- Not Sure

3a. Please select all of the controls that apply to your department.

- Employee support programs are in place to assist employees struggling with addiction, mental/emotional health, family, or financial problems;
- An open-door policy is in place that allows employees to speak freely about pressures, providing management the opportunity to alleviate such pressures before they become acute;
- Regular, anonymous surveys are conducted to assess employee morale.

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4. Does the City take and publicize proactive measures to increase employees' perception of fraud, waste, and abuse detection?

\*

- Yes
- No
- Not Sure

4a. Please select all of the controls that apply to your department.

- Possible fraudulent, wasteful, or abusive conduct is aggressively sought out, rather than dealt with passively;
- Surprise fraud, waste, and abuse audits are performed in addition to regularly scheduled audits;
- Data analytics techniques are used to proactively search for fraud, waste, and abuse and the use of such

<https://home/departments/innovation-performance-and-audit/express-risk-survey-fraud-risk-checkup>

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# Appendix D: Survey Questionnaire (cont'd)

2/25/2021

Glendale, CA : Express Risk Survey - Fraud Risk Checkup

techniques have been made known throughout the organization;

- Managers actively review the controls, processes, accounts, or transactions under their purview for adherence to company policies and expectations.
- 

5. Is ongoing anti-fraud, waste, and abuse training provided to all City employees? \*

- Yes  
 No  
 Not Sure

5a. Please select all of the controls that apply to your department.

- Employees have been trained on the Fraud Triangle Model - Fraud is likely to result from a combination of motivation, opportunity, and rationalization;  
 Employees understand what constitutes fraud, waste, and abuse;  
 The costs of fraud, waste, and abuse to the City and everyone in it—including lost revenues, adverse publicity, potential job loss, and decreased morale and productivity—have been made clear to all employees;  
 The City and its departments have a protocol for handling confidential complaints;  
 Employees know where to seek advice when faced with uncertain ethical decisions, and they believe that they can speak freely;  
 A policy of zero-tolerance for fraud has been communicated to employees through words and actions.
- 

6. Are fraud, waste, and abuse risk assessments performed to proactively identify and mitigate your department's vulnerabilities to internal and external fraud?

\*

- Yes  
 No  
 Not Sure

6a. Please select all of the controls that apply to your department.

- Department performs periodic fraud risk assessments;  
 Department fraud risk assessment includes inherent fraud risk;  
 Department fraud risk assessment includes likelihood and impact of fraud and risk response;  
 Proactive steps are taken on a periodic basis to assess department risks and improve internal controls related to potential fraud.
- 

7. Are strong anti-fraud, waste, and abuse controls in place and operating effectively? \*

- Yes  
 No  
 Not Sure

7a. Please select all of the controls that apply to your department.

<https://home/departments/innovation-performance-and-audit/express-risk-survey-fraud-risk-checkup>

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# Appendix D: Survey Questionnaire (cont'd)

2/25/2021

Glendale, CA : Express Risk Survey - Fraud Risk Checkup

- Proper separation of duties;
  - Use of authorizations;
  - Physical safeguards;
  - Job/Assignment rotations;
  - Mandatory vacations;
  - Granting and periodic review of employees' access rights to each applications system is based on their roles and job functions;
  - Departments should require individual user ids and passwords for all system applications and prohibit employees from using generic user ids and/or sharing passwords.
- 

8. Is there a review of internal controls established to prevent the fraud? \*

- Yes
- No
- Not Sure

8a. Please select all of the controls that apply to your department.

- Processes have been established to record, and analyze all fraud incidents;
  - Internal controls related to the fraud incident are reviewed for potential improvement;
  - Effective monitoring and review procedures that will promptly detect acts of wrongdoing should prevention efforts fail.
- 

9. Is an effective fraud, waste, and abuse reporting mechanism in place? \*

- Yes
- No
- Not Sure

9a. Please select all of the controls that apply to your department.

- Employees have been informed on how to communicate concerns about known or potential wrongdoing;
  - One or more reporting channels (e.g., City's third-party Employee Hotline, dedicated email inbox, or web-based form) are available to employees;
  - Employees trust that they can report concerns regarding ethics, fraud or questionable business activities anonymously and/or confidentially (where legally permissible) and without fear of reprisal through the City's Employee Hotline in accordance with Administrative Policy Manual 4-33: Policy Prohibiting Retaliation;
  - It has been made clear to employees that reports of suspicious activity will be promptly and thoroughly evaluated;
  - Reporting policies and mechanisms extend to vendors, customers, and other outside parties.
-

# Appendix D: Survey Questionnaire (cont'd)

2/25/2021

Glendale, CA : Express Risk Survey - Fraud Risk Checkup

10. Has your department taken aggressive steps to protect the City's data, employee information, and banking transactions from cyber fraud?

\*

- Yes
- No
- Not Sure

10a. Please select all of the controls that apply to your department.

- Video conferencing is initiated by the City through ISD authorized tools, such as WebEx or Microsoft Teams;
- Staff are directed to only download items from verified sources and never click unusual URLs or attachments;
- Staff are requested to utilize a strong password for home Wi-Fi;
- Staff are requested to avoid public and unprotected networks;
- Staff are limited to accessing the City's network via a virtual private network (VPN).

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To receive a copy of your submission, please fill out your email address below and submit.

**Email Address**

**SUBMIT**