

# Code Of Ethics

For Municipal Employees  
(A Guide To Developing)

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## **1.0 BACKGROUND**

Members of municipal councils are guided in their actions by the provisions of the Municipal Government Act (MGA). Provisions are also included in the MGA concerning the position of chief administrative officer and designated officers. In addition, various professional associations, the International City/County Management Association and the Local Government Administration Association have codes of ethics for their members.

This guide is intended to assist in the development of a code of ethics for employees of your municipality. Alberta Municipal Affairs supports the principle that a person should not become a second-class citizen by virtue of service on a council, or should a person become a second-class citizen by virtue of employment by a municipality.

In Alberta there is a long tradition of honourable public service. However, employees differ in a significant respect from councillors - they do not get elected. As such, the rules of acceptable behavior for an employee differ somewhat from those for a councillor.

An employee code of ethics could be a simple statement such as “use common sense”, “when in doubt, don’t”, or “if you don’t want to read about it in the newspaper, don’t do it”. However, many employees want or need more explicit guidelines. Local needs may determine how explicit the code of ethics should be.

## **2.0 PURPOSE**

The purpose of an employee code of ethics is to help employees maintain standards of behaviour related to their employment so that the employee neither uses nor appears to use his or her position to gain a personal benefit which is not available to other persons. These standards of behavior must reflect the municipality’s specifications while respecting the rights of individual employees.

The code should cover such matters as employment outside the municipal service, other business interests, dealings with relatives, the misuse of information gained in the course of municipal duties and criminal offenses. These are themes similar to the MGA provisions about councillors.

In addition to those, however, an employee code of ethics might also discuss public statements, acceptance of gifts, political activity and a grievance or appeal procedure for penalties imposed for violation of the code.

These themes are discussed in the remainder of the guide.

### **3.0 OUTSIDE EMPLOYMENT**

The code should include rules concerning outside employment or business interests. While some outside employment may conflict directly with the municipality, others may have no conflict at all.

The rules you establish in your code should regulate, not totally ban, outside employment activities. Keep in mind the specifications of acceptable practice in your municipality, the rights of individuals, and the needs of the organization.

An important consideration is that the outside employment should not interfere with the duties of the person as a municipal employee. His or her employment activities must not overlap.

Another consideration is that the employee should avoid outside employment which could be seen to influence or affect the way municipal duties are carried out, or for which there may appear to be an advantage from civic employment. For example, municipal employees should not issue permits for or approve business transactions of another employer.

A potentially controversial consideration is that employees should avoid outside employment which is the same as or similar to their municipal duties. For example, it is inappropriate for your treasurer to be the treasurer of a company with which your municipality does business. However, it may be acceptable for a municipal painter to take on painting contracts privately outside normal working hours. Once again, the perception of favourable treatment is a key issue.

Therefore, acceptable outside employment could be those activities that do not interfere with municipal duties, conflict with or appear to conflict with municipal business, and don't provide or appear to provide any special advantage because of the employee's civic employment.

#### **4.0 OTHER BUSINESS INTERESTS**

Employees, in their personal financial planning, may invest in business as shareholders or partners. These businesses may from time to time contract with the municipality or require approvals for development. Previous legislation prohibited municipal managers from having an interest in a contract with the municipality, but this restriction has been removed from the current Municipal Government Act.

Your code should provide guidelines regarding investments and business interests. While the issues discussed in paragraph 3.0 provide guidelines applicable to other business interests, there are additional considerations required here.

Employees who have a monetary interest in a business that may do business with the municipality could be required to register the interest with the Chief Administrative Officer (CAO) who in turn would inform the persons responsible for purchasing. There could be a procedure requiring council approval on any proposed contract with one of the businesses on the CAO's list, regardless of any delegation of purchasing authority.

This would ensure that all dealings with such business were open to public scrutiny.

It is equally as important in other business interests to avoid the appearance of favouritism or conflict, as it is for outside employment.

## **5.0 DEALINGS WITH RELATIVES**

Since many municipal employees are fully occupied with their work, real or perceived conflict of interest may arise more often in relation to activities of family members than with outside employment or their own business interests.

An employee's judgment may be influenced, and could appear to be influenced by permits to an immediate relative (spouse, parents, spouse's parents, children) or that relative's business.

Your code should address this issue. You might prohibit the employee's involvement in business decisions affecting immediate relatives, and provide alternate means of approvals (e.g. the employee's supervisor) so an employee's relatives are not unnecessarily hampered from conducting business with the municipality.

## **6.0 MISUSE OF INFORMATION**

Many municipal employees are entrusted with information and data that is not generally available to the public, including some that may be sensitive or confidential. Your code should establish the rules for handling this information, as well as provide guidelines that help to define sensitive or confidential information and information that may be subject to legislation.

## **7.0 CRIMINAL OFFENCES**

Normally, it is a condition of employment that employees are expected to obey and observe the laws of the federal, provincial and local governments. Therefore, breaking a law may contravene a condition of employment, and the disciplinary process established in your personnel policies would be followed.

If conviction of a criminal offence has not been addressed in conditions of employment, it should be in your code of ethics.

As each situation is unique, it is advisable to consult with your lawyer before taking any action.

## **8.0 PUBLIC STATEMENTS**

Good relations with the public and the media are important to the effective operation of your municipality. While placing a complete “muzzle” on all employees is likely to generate negative public relations, your employees should be given some guidelines on the appropriateness and timeliness of public statements.

Your guidelines might suggest when certain kinds of information should be made public (see paragraph 6.0), who in the organization should make statements about policy, and how statements made as a private citizen may be seen to reflect on a person’s position within the organization.

## **9.0 ACCEPTANCE OF GIFTS**

An employee cannot accept payment from some other person for doing anything that he or she is paid to do as an employee. This should be included in your code. However, the provision of gifts, favours or services raises questions where the answers may not be so clear.



In general terms, an employee should not accept a gift, favour or service related to his or her duties except the normal hospitality associated with doing business, protocol, or exchange of gifts and mementos at public ceremonies. However, employees must be careful to avoid any appearance that their goodwill is being or has been purchased through gifts. Normally it is inappropriate to accept gifts.

In a related vein, the employee should not use his or her position to obtain special advantages from dealing with a business to purchase items at a municipal discount for personal use.

## **10.0 POLITICAL ACTIVITY**

Care must be taken that any code of ethics guidelines do not infringe upon the constitutional guarantees of freedom of association and of expression. You should also note that an employee cannot be a candidate for, or serve as a member of council, unless the employee is granted a leave of absence without pay pursuant to the Local Authorities Election Act. However, employees may wish to run for office in another municipality, a school board, a hospital board (where the members are elected), at the provincial or federal levels or otherwise become involved in political activities.

Your primary interest as an employer should be in the continuing ability of the employee to carry out the responsibilities of the position occupied. If you include this subject, consideration of the following areas may effect the preparation of your policies concerning political activity, provided inclusion of any of them does not unreasonably restrict your employees:

- (a) the effect of political activity on public confidence in the employee's performance of the official duties of the position,
- (b) the potential that significantly less time would be available to the employee to devote to his or her municipal duties,
- (c) granting leave with pay and without pay to serve in elected office,

- (d) potential conflicts between the interests of your municipality and the interests of the elected body (i.e neighbouring municipality) the employee services.

In addition to the restrictions cited above, it may be reasonable to require a person who is elected as a member of the Legislative Assembly or of the House of Commons to resign as a full-time employee because of the extended absences required by election to that body, or to grant an extended leave of absence.

## **11.0 PENALTIES AND APPEALS**

If a person's actions resulted in a breach or violation of the code of ethics, chances are that one of the conditions of employment has also been violated. Thus, the disciplinary procedures outlined in the collective agreement or personnel manual should be followed.

It is important to consult with your lawyer when an employee has violated, or potentially violated, the code. You **must** be certain before taking disciplinary measures.

The purpose of the code is to provide sufficient guidance so that you never have to use the penalty provisions. However, you should have them set out in case ethical questions arise relating to municipal employees.

## **12.0 IMPLEMENTING THE CODE**

### **DEVELOP IT**

You may wish to establish an ethics committee or other body to develop the code. The body's membership might include representatives from council, management, non-management personnel and the public.

Ethical conduct is a condition of public employment which your council has a right to demand. However, to increase the code's significance and meaning to the employees, and to achieve mutual agreement, the committee or body should consider consultation with the

employees during the code's development. While the ultimate decision is council's, the process is important.

All situations cannot be covered in a code of ethics. Base your code on solid principles, but maintain enough flexibility that the principles will be applicable to most new issues that arise.

#### ENDORSE IT

If your municipality prepares and subscribes to a code of ethics for municipal employees, the code should receive the endorsement of council by resolution.

#### IMPLEMENT IT

The CAO of the municipality should be responsible for implementing and enforcing the code.

#### MAINTAIN IT

No code will be complete without provisions for future amendments. Establish a review process, like you do for your other policies, to ensure your code of ethics continues to accurately reflect your local needs.

### **13.0 MANAGER AS LEADER**

Finally, the basic code should apply to all employees right up to the chief administrative officer (CAO). The CAO is responsible for implementing and enforcing the code, and therefore, should lead by example. A CAO cannot expect employees to govern their actions by a higher ethic than that which he or she follows.