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Halifax Regional Council
June 20, 2006
June 27, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: for [Signature]
Councillor Len Goucher, Chair, Audit Committee

DATE: May 31, 2006

SUBJECT: Illegal and Irregular Conduct Policy
Ethical Conduct Policy Amendments

RECOMMENDATION REPORT

ORIGIN

On January 4, 2006, the Audit Committee of Council referred the "Illegal and Irregular Conduct Policy" and amendments to the "Ethical Conduct Policy" to Regional Council for consideration and approval.

RECOMMENDATION

It is recommended that:

1. Halifax Regional Council approve in principle the adoption of the Illegal and Irregular Conduct Policy to apply to staff, agencies, boards, commissions and Members of Council and request staff to arrange for the formal introduction of Administrative Order 40.
2. Halifax Regional Council approve in principle the amendments to the Human Resources Policy on Ethical Conduct to provide for the inclusion of Members of Council and request staff to arrange for the formal introduction of Administrative Order 41.

BACKGROUND

The Business Systems and Control Group (BSCG) report to the Audit Committee of Council through the Chief Administrative Officer. Roles and responsibilities are outlined in the Charter, approved in June 2002. In addition to providing independent and objective analysis of services, activities and programs carried out by the Halifax Regional Municipality through the completion of financial, operational (value-for-money), compliance and comprehensive audits following professionally accepted internal audit standards, Business Systems and Control are responsible to examine and report on any allegations of misappropriation, fraud or irregularities.

DISCUSSION

In order to carry out an effective and efficient examination of allegations of misappropriation, fraud or irregularities, best practice suggests that an organization have clearly defined, formal policies and guidelines in place. While incidents of this nature are not common, the ability to adequately respond and resolve any incidents is hampered when roles and responsibilities are unclear. Staff from Business Systems and Control began researching and drafting a policy to deal with allegations of this nature back in June of 2005. On February 6, 2006, Chief Administrative Officer, Dan English, reviewed and approved the policy for employees of HRM and Agencies, Boards and Commissions over which Council has authority, effective March 1, 2006. At the time the policy was presented to the Audit Committee of Council (January 4, 2006) the committee unanimously supported the inclusion of Members of Council, recommending that this be a policy of Council, rather than an administrative policy of the CAO.

The policy is founded on the principle that the HRM is committed to safeguarding public assets from loss and inappropriate use and prepared to fully investigate or examine all allegations of illegal and/or irregular conduct. It is linked to the HR Ethical Conduct Policy, Conflict of Interest Statement for which amendments have been suggested to ensure that there is consistency and clarity across the board.

It is proposed that the policy apply to Members of Council and Agencies, Boards, and Commissions over which the HRM has authority, as well as employees of HRM. The policy and guidelines differentiate between allegations of illegal and irregular conduct as well as outline the responsibilities of employees, supervisors, managers, directors, EMT and Members of Council. The procedure to be used when reporting alleged incidents also details the role of Business Systems and Control, the Audit Committee, Legal Services and the CAO.

Whistle blower protection for individuals who report alleged illegal or irregular acts and sanctions for frivolous claims are also included in the policy. However, a structure (commonly referred to as a "Hot Line") has not yet been developed which would provide for the anonymous reporting of allegations of illegal or irregular conduct.

BUDGET IMPLICATIONS

There are no direct budget implications at this time. Resource requirements are directly related to the level of reported incidents. This will be closely monitored and appropriate action taken, as required.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

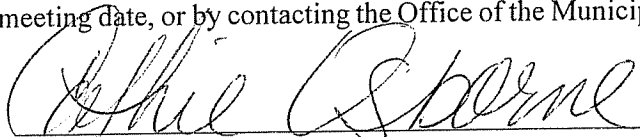
1. Council could decide not to include themselves under the Illegal and Irregular Conduct and/or Ethical Conduct Policies. The policies would remain administrative policies of the Chief Administrative Officer and apply to staff of the Halifax Regional Municipality and Agencies, Boards and Commissions under the authority of the HRM.

ATTACHMENTS

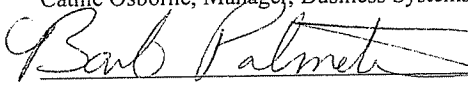
1. Proposed Illegal and Irregular Conduct Policy, Administrative Order 40.
2. Proposed amendments to the Ethical Code of Conduct, Human Resources Manual, Administrative Order 41.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by :


Cathie Osborne, Manager, Business Systems and Control 490-4093

Financial Review:


Barb Palmeto, Financial Consultant

Council Report Sign-Off Sheet

Subject: Illegal and Irregular Conduct, Ethical Code of Conduct Policies - AO 40, AO 41.					
Meeting Date: June 20, 2006		<input checked="" type="checkbox"/> Regular Council	<input type="checkbox"/> COW	<input type="checkbox"/> In Camera	
		<input type="checkbox"/> Information Report			
Prepared by: Cathie Osborne, Business Systems and Control, CAO				May 31, 2006	
Name & Business Unit				Date	
<input type="checkbox"/> First Draft for Information Only <input type="checkbox"/> Consultation <input checked="" type="checkbox"/> Approval					
<input checked="" type="checkbox"/>	Stakeholder -Internal	Approved By	Date & Time	Revised Date	Initial
	Not Required (Issue unique to originating Business Unit)				
	EMS				
	Finance				
	Fire				
X	Human Resources	Louis Continho	Dec 2005		
X	Legal Services	Randolph Kinghorne	Dec 2005		
	P & D				
	Police				
	TPWS				
	RPAM				
	RTC				
	Regional Planning				
	Shared				
	Library				
	RCMP				
	Water Commission				
X	Councillor (s)	Len Goucher			
	Stakeholder - External				

Administrative Order 40
Halifax Regional Municipality
Illegal and Irregular Conduct Policy

Administrative Order 40

Illegal and Irregular Conduct

Linked to HR Policy and Code of Conduct

I Statement of Principles

The Halifax Regional Municipality ("HRM") is committed to safeguarding the public and HRM's officers and employees from harm or loss arising from illegal or irregular conduct by persons acting on behalf of HRM. HRM is also committed to safeguarding public assets from loss or damage arising from such acts as vandalism, theft or an attempt by anyone to gain by deceit any benefit they are not entitled to in the discharge of municipal responsibilities.

Under the authority of the Municipal Government Act and the Municipal Conflicts of Interest Act for the Province of Nova Scotia, this policy is augmented by the Human Resources Policies and Business Practices " Ethical Conduct Policy" which includes a "Conflict of Interest Statement" and the "HRM Procurement and Visa Policy," and as amended from time to time by HRM.

The Illegal and Irregular Conduct Policy sets out guidelines and responsibilities for the appropriate actions that must be followed for the investigation of any allegation of Illegal and irregular activities.

II Purpose

The purpose of this policy is to:

1. Set out the responsibilities of HRM Council, Management, Employees and Business Systems and Control ("BSCG") with respect to the prevention, detection, reporting and investigation of alleged Illegal or irregular acts within the HRM.
2. Ensure that, where the plausibility of illegal or irregular conduct has been established, an adequate investigation is conducted sufficient to either confirm or dispel the occurrence of illegal or irregular conduct.
3. Ensure that the evidence collected during the investigation be turned over to the appropriate agency, where sufficient evidence exists supporting an allegation of illegal or irregular conduct.
4. Ensure that the cause(s) of any failure in the internal controls designed by Management to safeguard the assets of the HRM against loss, misuse, theft, unauthorized use, damage and fraud, are identified and appropriate action is taken to prevent future occurrences.

III Definitions

1. Illegal conduct is action taken by an individual which is contrary to federal, provincial or municipal public law and includes acts in violation of the Criminal Code of Canada such as offences against the person (eg. assault or threats), offences against property (eg. theft or damage to property), offences against commerce (eg. fraud or falsifying an

employment record), acts in violation of the Municipal Government Act, an acts in violation of HRM by-laws.

For greater certainty, the Criminal Code of Canada defines "Fraud" as:

"Everyone who, by deceit, falsehood or other fraudulent means, whether or not it is a false pretense within the meaning of this Act defrauds the public or any person, whether ascertained or not, of any property, money or valuable security."

Fraudulent act may include but is not limited to:

- a) Forgery or alteration of cheques, drafts, promissary notes and securities, electronic payments.
- b) Any misappropriation of funds, securities, supplies or any other asset or item.
- c) Misappropriation of furniture, fixtures or equipment.
- d) Unauthorized use or misuse of HRM property, equipment, materials or records.
- e) Any claim for reimbursement of expenses that are not made for the exclusive benefit of the HRM.
- f) Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of HRM-owned software.

2. Irregular conduct means activities that do not fall under the definition of "Illegal conduct" and may include but is not limited to:

- a) Any irregularity in the handling or reporting of money transactions.
- b) Seeking or accepting anything of material value from vendors, consultants or contractors doing business with the HRM or accepting any gift or favour or participating in any business transaction where an actual or perceived conflict of interest arises as defined in the Code of Conduct, Conflict of Interest Statement.
- c) Any irregularity in reporting personal qualifications for any job, transfer or promotional application or procedure.
- d) Actions in breach of HRM policies such as giving preferential treatment or misuse of confidential information.
- e) Actions in breach of private law such as breach of contract.

In considering whether a situation should be reported, consider the following question: If a decision or action by an individual became known to everyone, would this decision or action be looked on and considered acceptable, or would it discredit the individual, other employees and/or the Municipality? The issue of whether or not an action is illegal or irregular will be determined after a thorough examination of the details.

3. HRM Representatives include Directors, General Managers, Managers, Team Leaders, Supervisors and other titled positions assigned oversight responsibility for employees, programs or activities.

IV Applicability

1. This policy applies to Members of Council and all employees of the Halifax Regional

Municipality and employees of Agencies, Boards, and Commissions over which the HRM Council has authority.

2. Anyone conducting business with the HRM and its Agencies, Boards and Commissions including but not limited to members of the public, contractors, sub-contractors, agents and intermediaries.

V General Responsibilities

1. Scope and Direction of Investigations:
 - a) HRM is committed to fully investigating any allegations of illegal or irregular conduct. An objective and impartial investigation will be conducted regardless of the position, title, length of service or relationship with the HRM of any party who might be or becomes involved in or becomes/is the subject of an investigation.
 - b) Where it is prudent for the protection of evidence or personnel or is otherwise in the public interest to do so, a person subject to examination or investigation for illegal or irregular conduct may be suspended with pay pending the conclusion of the examination of investigation or the implementation of any discipline or remedial action arising therefrom.
 - c) Where upon examination/investigation reasonable grounds exist to believe that a person has engaged in illegal or irregular conduct then that person, and if applicable his union representative, will be given written notice of the alleged conduct.
2. HRM Responsibilities:
 - a) HRM Representatives are responsible for instituting and maintaining a system of internal controls to provide reasonable assurance for the prevention and detection of fraud, misappropriation or other illegal or irregular conduct. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.
 - b) Business Systems and Control Group ("BSCG"), in consultation with the HRM Solicitor, has the primary responsibility for the examination and coordination of all activity as defined in this policy.
 - c) BSCG will notify the Chief Administrative Officer ("CAO") or his/her designate and the Chair of the Audit Committee of reported allegations of illegal or irregular conduct upon the commencement of the investigation, to the extent practical. Throughout the examination and/or investigation, the CAO and the Chair of the Audit Committee will be informed of pertinent investigative findings.
 - d) In all circumstances where reasonable grounds exist that a illegal act may have occurred, BSCG, subject to the advice of the HRM Solicitor, will contact the appropriate agency.
 - e) Upon the conclusion of the examination/investigation, the results will be reported

to the CAO and Chair of the Audit Committee and, if appropriate, the relevant Director.

- f) The HRM will pursue every reasonable effort, including court ordered restitution, to obtain recovery of the losses from the offender, or other appropriate source(s).
- g) Discipline resulting from a substantiated allegation of illegal or irregular conduct may include remedial action, written warning, suspension and/or dismissal. The degree of discipline shall be proportionate to the findings of culpability and may extend to the employee's co-workers, Supervisor, Team Leader, Manager, General Manager and/or Director. Members of Council may be reprimanded or sanctioned by resolution of Council.

3. Members of Council and Employees are responsible for:

- a) Signing a document acknowledging receipt of the Illegal and Irregular Conduct Policy; and
- b) Reading and complying with the Illegal and Irregular Conduct Policy and requesting clarification from their supervisor(s) or Business Systems and Control, as required.
- c) Reporting suspected violations of the Illegal and Irregular Conduct Policy as outlined in the document;
- d) Cooperating with those performing an examination or investigation; and
- e) Annually reviewing and sign-off of the Illegal and Irregular Conduct Policy.

VI Procedures

Note to readers: The policy does not specify action to be taken against an individual who knows of an irregular act but does not report it. Most policies do not speak directly to this but rely on the 80/20 rule. That is, 80% of the time people will act positively and report irregularities where and appropriate process exists.

1. *Members of Council*

- a) A Member of Council who has reason to suspect that illegal or irregular conduct has occurred, *shall* immediately notify the CAO or his/her designate.
- b) If the Member of Council has reason to believe that the CAO may be involved, the Member *shall* immediately notify the Chair of the Audit Committee, who will contact BSCG.
- c) The Member of Council shall not discuss the matter with anyone other than the Chair of the Audit Committee, the CAO(if appropriate), BSCG, the HRM Solicitor and the designated investigating agency.

2. *All Employees*

- a) Any employee who has reason to suspect an occurrence of illegal or irregular conduct, *shall* immediately notify his/her supervisor.

- b) If the employee has reason to believe that their immediate supervisor may be involved, the employee shall immediately notify the Director and BSCG.
- c) The employee shall not discuss the matter with anyone other than his/her Supervisor, the Director, BSCG, HRM Solicitor and the designated investigating agency. Employees who knowingly make false allegations will be subject to discipline up to and including dismissal.

3. *Supervisors and Managers*

Irregular Conduct:

- a) Supervisors/Managers who receive an allegation of an irregular conduct, or if the Supervisor or Manager has reason to suspect that irregular conduct has occurred should conduct a preliminary examination of the circumstances, prior to reporting the occurrence to BSCG and their Director.

Note to Readers: A preliminary examination would include compiling notes and pertinent records and reviewing any documentation available within the supervisor/managers sphere of control.

- b) After the preliminary examination is completed, the Supervisor/Manager should immediately notify BSCG and their Director of the allegation. All documentation, notes, etc. relating to the preliminary examination are to be turned over to BSCG.

Records collected or identified during the preliminary examination of irregular conducted by Management, must be adequately secured until BSCG accepts responsibility for the records at the beginning of the audit examination/investigation.

Illegal Conduct:

- a) Upon notification from an employee of suspected illegal conduct, or if the Supervisor or Manager has reason to suspect that illegal conduct has occurred, the Manager/Supervisor shall immediately notify the Director and BSCG.
- b) The Manager/Supervisor shall **not** attempt to investigate the suspected illegal conduct or to discuss the matter with anyone other than the person to whom the illegal conduct was reported, BSCG, HRM Solicitor or the designated investigating agency.

4. *Directors*

Irregular Conduct:

- a) Allegations of irregular conduct, once reported to the Director, or if the Director has reason to suspect that irregular conduct has occurred, should ensure that a preliminary examination of the circumstances is conducted by a person technically competent within that field, prior to reporting the occurrence to BSCG.
- b) After the preliminary examination is completed, the Director should immediately notify BSCG of the allegation. All documentation, notes relating to the preliminary

examination are to be handed over to BSCG.

Records collected or identified during the preliminary examination of irregular conduct by Management, must be adequately secured until BSCG accepts responsibility for the records at the beginning of the audit examination/investigation.

Illegal Conduct:

- a) Upon notification from an Employee or Manager of a suspected illegal conduct, or if the Director has reason to suspect that a illegal conduct has occurred, the Director shall immediately contact BSCG.
- b) The Director shall not attempt to investigate the suspected fraud or to discuss the matter with anyone other than BSCG, the HRM Solicitor or the designated investigating agency.

5. *Business Systems and Control Group*

- a) Upon notification or discovery of irregular conduct or suspected illegal conduct, BSCG will promptly notify the CAO or his/her designate prior to commencing an examination of the allegations.
- b) Should the CAO or his/her designate unreasonably withhold authority to access HRM records, files or property necessary to conduct the examination, BSCG will notify the Chair of the Audit Committee of Council and obtain the necessary approval.
- c) In situations where the allegations relate to the CAO/DCAO's office or personnel, direction to commence the examination will be required from the Chair of the Audit Committee of Council.
- a) After the initial review and a determination that the suspected illegal or irregular conduct warrants additional investigation, BSCG will report to the CAO, the Director of the applicable Business Unit, the HRM Solicitor and the Chair of the Audit Committee of the allegations.
- e) In all circumstances where there appears that illegal conduct has taken place, BSCG, in consultation with the HRM Solicitor, will contact the appropriate investigating agency.
- f) BSCG will coordinate the investigation with the law enforcement officials, when appropriate.
- g) Those conducting examinations/investigations within Business Systems and Control shall strive to perform their duties diligently, impartially, conscientiously and in a professional manner, to the best of their ability and should:
 - i Comply with charter rights, relevant legislation, administrative requirements or collective agreements.
 - ii Maintain adequate documentation to support any decisions made.

- iii Treat members of the public and other employees with courtesy and sensitivity to their rights.
 - iv Ensure that in using their discretionary powers, they take all relevant facts into consideration and have due regard to the particular merits of each examination or investigation.
 - v Treat each examination or investigation promptly and reasonably with a view to meeting the principles of procedural fairness.
 - vi Examinations and investigations will be conducted in accordance with the principles of *fundamental justice*. This will include the concept of promptness, reasonableness and procedural fairness.
- h) Once a suspected illegal conduct is reported, and at the behest of the CAO, BSCG, in consultation with the HRM Solicitor and with notification to the Director, shall take immediate action to prevent the theft, alteration or destruction of relevant records or other evidence.

Such actions include, but are not limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and/or preventing the individual(s) suspected of committing the illegal conduct from having access to the records.

- i) Records collected or identified during the preliminary examination of irregular conduct completed by Management, will be transferred to BSCG who will accept responsibility for the records at the beginning of the audit examination/investigation.
- j) At the conclusion of the investigation, BSCG will document the results in a confidential report to the CAO with a copy to the Chair of the Audit Committee and appropriate Director.
- k) If the report concludes that the allegations are founded, the report will be forwarded to the appropriate investigating agency.
- l) BSCG will also be required to make recommendations to the appropriate Director to assist in the prevention of similar events from reoccurring.
- m) Upon completion of the investigation including all legal and personnel actions, any records, documents and other evidentiary material will be returned by BSCG to the appropriate Business Unit.

VII Confidentiality

1. All participants in an examination/investigation of alleged illegal or irregular conduct shall keep the details and results of the investigation confidential except in accordance with the directions of the investigating agencies.
2. BSCG, in consultation with the HRM's Solicitor and the appropriate investigating agency, may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.

VIII Subsequent Personnel Actions

1. If a suspicion of irregularity and/or illegal conduct is substantiated by the examination/investigation, disciplinary action, up to and including dismissal, shall be taken by the appropriate level of Management, in consultation with Human Resource Services, BSCG, the HRM Solicitor.
2. Unless there are exceptional circumstances, a person under investigation for suspected illegal or irregular conduct shall be given notice in writing of the essential particulars of the allegations following the conclusion of the examination/investigation and prior to final disciplinary action being taken. Where applicable the person's union representative will also be provided with a copy of the notice.
3. Where notice is given it shall also advise the person against whom allegations are being made may submit a written explanation to BSCG for consideration within seven (7) calendar days the notice is received. This requirement is subject to any collective agreement provisions respecting the rights of employees during disciplinary proceedings.

IX Whistle Blower Protection

1. No HRM Representative or person acting on behalf of a HRM Representative shall:
 - dismiss or threaten to dismiss an employee;
 - discipline or suspend or threaten to discipline or suspend an employee;
 - impose any penalty upon an employee; or
 - intimidate, harass or coerce an employee,
 - take non-disciplinary actions contrary to the wishes of the employee. Eg. lateral transfer,because the employee has acted in accordance with the requirements of this policy.
2. No Member of Council or an employee of the Halifax Regional Municipality or Agency, Board or Commission over with the HRM Council has authority shall:
 - intimidate, harass or coerce another employee,because the employee has acted in accordance with the requirements of this policy.
3. An employee who violates this section may be subject to discipline up to and including dismissal of the HRM Representative, person acting on behalf of the HRM Representative or HRM employee.
4. Any person found to have made a false allegation of illegal or irregular conduct is subject to discipline up to and including dismissal.

X Media Communications

1. Any staff person or elected official contacted by the media with respect to an on-going audit examination/investigation shall refer the media to the Corporate Communications Officer or his/her designate.
2. Any alleged illegal or irregular conduct or audit examination/investigation shall not be discussed with the media by any person other than through the Corporate Communications Officer or designate, in consultation with BSCG.
3. If BSCG is contacted by the media regarding an alleged irregularity/fraud or audit examination/investigation, BSCG will consult with the Corporate Communications Officer or designate, as appropriate, before responding to a media request for information or interview.
4. BSCG and the Corporate Communications Officer will determine media messages and identify an appropriate spokesperson, as required.

XI Reporting to the External Auditors

1. BSCG will report to the external auditors of the HRM all information relating to the investigation upon its completion.

XII Variance from Policy

1. It is recognized that strict compliance with this policy may be inappropriate in certain circumstances such as conduct related to mental health problems. Accordingly, the CAO may, where appropriate, authorize and/or direct a variance from procedures set out in this policy. Where the CAO has exercised his discretion to allow variances he/shall immediately notify Council and as soon as feasible provide an in camera account of same to Council.

XIII Annual Reporting

1. In accordance with the BSCG Charter, Business Systems and Control will report on an annual basis or as requested from time to time by the CAO, HRM Audit Committee and/or Council, information relating to examinations or investigations conducted during the fiscal year, subject to rules of confidentiality.

Administrative Order 41

Ethical Conduct Policy

Policy Statement

It is the policy of the Halifax Regional Municipality to establish high standards of ethical conduct and to hold all Members of Council and HRM staff accountable to abide by the HRM Code of Ethics.

Objectives

- 1) Promote high standards of professional conduct.
- 2) Provide guidelines for identifying potential conflicts of interest and breaches of trust or confidence.
- 3) Help ensure that Members of Council and municipal staff do not place themselves, or permit themselves to be placed, in a position which would constitute a conflict of interest or breach of trust or confidence.

Definitions:

HRM Assets - includes all property and services of the HRM including but not limited to: equipment, financial assets, land, vehicles, material, computers, electronic mail, internet services, information and work time.

Conflict of Interest -arises whenever a Member of Council or an employee's personal or professional activities negatively impact the best interests of the HRM or as a result of the individual's employment a financial or personal benefit is obtained.

Employee - includes an individual employed by the HRM, including those employed on a personal services contract or sub-contract.

Code of Ethics

All Members of Council and HRM employees are required to abide by the following Code of Ethics:

- 1) Authority: Members of Council and employees must not exceed their authority, breach the law, or ask others to do so, and are expected to work in full co-operation with other public officials and employees, unless prohibited from doing so by law or by formally recognized rules of confidentiality.

2) Personal Conduct: Members of Council and employees will perform their duties with honesty and integrity and in a manner that is helpful, respectful and courteous. Members of Council and employees will not behave in a manner that could result in a Conflict of Interest.

3) Professional Conduct: Employees are entrusted with upholding and adhering to the bylaws of Halifax Regional Municipality as well as all applicable federal and provincial laws. They must observe a high standard of professionalism in the conduct of their duties and faithfully fulfill the responsibilities of their offices, regardless of their personal or financial interests.

Any municipal employee who has a financial or personal interest in any proposed Council legislation, and who participates in discussion with or gives an official opinion to Council, shall disclose on the records of Council the nature and extent of the interest.

4) Soliciting Appointments: Soliciting members of Council directly or indirectly in order to obtain preferential consideration in connection with any appointment to the municipal service is prohibited and will disqualify the internal candidate from further consideration for the appointment.

5) Use of Public Property: Employees will use and permit the use of HRM assets only for the performance of municipally sanctioned duties or as approved by their supervisor and where such privileges are granted to the general public. Employees will safeguard and protect HRM Assets. Employees will not use HRM assets, including email and internet services, if the use could be offensive or inappropriate.

6) Obligations to Citizens: No employee shall grant any special consideration, treatment, or advantage to any citizen or group of citizens beyond that which is accorded to all citizens.

7) Political Activity: No employee of Halifax Regional Municipality shall perform work, either volunteer or paid, on behalf of any political party during his/her hours of employment with Halifax Regional Municipality.

Political Involvement by employees in municipal, provincial or federal levels of government is permitted, except as noted in the Municipal Elections Act, S18(1)(d), on the clear understanding that employees are acting personally and not as representatives of Halifax Regional Municipality. Any such involvement

may not interfere with the time or attention necessary to ensure proper performance of the employee's duties to Halifax Regional Municipality.

- 8) Disclosure of Confidential and Sensitive Information: No Member of Council or employee shall, without proper legal authorization, disclose confidential information concerning the property, government, employees or affairs of Halifax Regional Municipality; nor shall he/she use such information to advance the financial or personal interest of him/herself or others.
- 9) Conflict of Interest: No Member of Council or employee, whether paid or otherwise, shall engage in any business transaction or have a financial or personal interest, direct or indirect, which is incompatible with the proper discharge of their official duties or would impair, or reasonably give the perception of impairing, their independence of judgement or action in the performance of their duties.

Personal interest includes any interest arising from family or marriage relationships, or close business or political associations.

Where an actual or perceived conflict of interest arises, employees are required to declare a conflict and take appropriate action to remove themselves from the conflict situation. Members of Council are also subject to the requirements of the Municipal Conflict of Interest Act, Province of Nova Scotia.

The following are situations which constitute conflicts of interest:

- a) Incompatible Employment: No employee shall engage in or accept private employment or render services for private interests when such employment or services are incompatible with the proper discharge of their official duties or would impair, or reasonably give the perception of impairing, his/her independence of judgement or action in the performance of his/her duties; or in which the individual has an advantage derived from his/her employment with Halifax Regional Municipality or puts the employee in competition with services provided by the HRM.
- b) Gifts and Favours: No Member of Council or employee shall show favouritism or bias toward any vendor, contractor, or others doing business with Halifax Regional Municipality. Members of Council and employees are prohibited from accepting gifts or favours from any vendor, contractor or others doing business with Halifax Regional Municipality that would tend to influence them in the proper discharge of their official duties or where it may be perceived to be in exchange for special treatment.

Members of Council and Employees will not provide any gift, benefit or favour in exchange for special consideration or influence, or where it may be perceived to be in exchange for special treatment.

- c) Representing Private Interests before a Municipal Agency: No employee of the Halifax Regional Municipality shall appear on behalf of private interests before any agency of Halifax Regional Municipality or any court without the consent of the Chief Administrative Officer.

No employee shall represent private interests in any action or proceeding against the interests of Halifax Regional Municipality or in any litigation to which Halifax Regional Municipality is party. Furthermore, no employee shall accept compensation or a retainer which is conditional upon the actions of a municipal agency.

- d) Contracts with Municipalities: No employee of Halifax Regional Municipality shall have any interest, direct or indirect, in any legal municipal contract issued by him/her or by any public committee, board, commission or business unit of which they are a member, agent, or employee.

Reporting Breaches of this Code

Procedures

Preamble:

Members of Council and Employees must act in accordance with the Code of Conduct. If there are questions about the appropriate application of the Code of Conduct to any situation, employees should ask their supervisor(s) for interpretation or clarification. Guidance may also be sought from Human Resources and/or Legal Services. Members of Council may seek clarification from Human Resources and/or Legal Services.

Responsibilities:

Members of Council and Employees are responsible for:

- 1) Signing a document acknowledging receipt of the Code of Conduct; and
- 2) Reading and complying with the Code of Conduct and requesting clarification from their supervisor(s) or Human Resources, as required; and
- 3) Requesting clarification about any potential violation of the Code of Conduct, including Conflict of Interest, and obtaining approval from their Director or the CAO or Legal Services (Members of Council) , if required; and

- 4) Disclosing, in writing, to their Director (or Council as appropriate) any current personal, business, commercial or financial interest which may result in a violation of the Code of Conduct, or a Conflict of Interest; and
- 5) Reporting suspected violations of the Code of Conduct to their supervisor(s) or their Director, CAO or BSCG; (as appropriate) and
- 6) Co-operate with those performing an investigation; and
- 7) Annual review of Code and Employee sign-off of annual review.

Supervisors are responsible for:

- a) Assisting employees in the administration, interpretation and application of the Code of Conduct; and
- b) Reporting any alleged violations of the Code of Conduct to their immediate supervisor or Director or CAO or BSCG.

Managers are responsible for:

- a) Ensuring that each employee receives and acknowledges receipt, in writing, of a copy of the Code of Conduct; and
- b) The consistent administration of the Code of Conduct within their division; and
- c) Documenting and retaining any approvals, decisions or directions given to employees; and
- d) Reporting any alleged violations of the Code of Conduct to their immediate supervisor, Director, CAO or BSCG; and
- e) Investigating any alleged violations of the Code of Conduct; and
- f) Reporting status and results of investigations to BSCG on a quarterly basis.

Business Systems and Control are responsible for:

- a) Investigating any alleged violations of the Code of Conduct as requested by the CAO; and
- b) Consulting with the CAO when an alleged violation of the Code of Conduct is received; and
- c) Notifying the CAO of complaints received by the BSCG office.

Human Resources are responsible for:

- a) Conducting regular audits of the personnel files maintained at the Business Unit to ensure that there is a current signed acknowledgement of receipt of the Code of Conduct on file.

The Chief Administrative Officer and Deputy Chief Administrative Officer are responsible for:

- b) The consistent administration and communication of the Code of Conduct by Business Units; and

c) Notifying the BSCG of complaints received by the CAO or DCAO.

Reporting a Violation

1. The identity of the complainant will be kept confidential, except as allowed by the Freedom of Information and Privacy Act.
2. Retaliation will not be tolerated where reporting of a potential violation of the Code of Conduct is made in good faith.
3. If retaliatory action occurs, the employee should immediately report the action to the supervisor(s) or Director or CAO or BSCG.
4. Knowingly submitting a false report will be subject to disciplinary action up to and including dismissal and any other proceedings available to the HRM.

Code of Conduct Handbook

Why Have a Code of Conduct?

1. It explains expected rules of behaviour.
2. It states values, provides guidance and recommends action so that all employees know exactly what is expected of them.
3. It creates an environment that encourages a specific standard of behaviour, reduces confusion and promotes equality within the work place.

This is not new information. It is a compilation of a number of current policies and expected practices as a reminder of the principles of conduct that the HRM embraces.

It is being updated to reflect current needs, realities and responsibilities. Recent changes to the Freedom of Information and Privacy (FOIP) legislation and advances in technology make it necessary to update the Ethical Code.

How Does the Code Affect Me?

Only through the commitment of Members of Council and our employees is the HRM able to deliver quality service and maintain public trust. Members of Council and HRM

employees must be above reproach in their professional dealings and must demonstrate the highest standards of behaviour. Every Member of Council and employee is expected to be aware of, and comply with, the Code of Conduct.

Disclosure

If you think you may be in violation of the Code of Conduct, address the situation and make full and prompt disclosure to your supervisor or Council (as appropriate). Any suspected non-compliance by another Member or employee must also be promptly reported to your supervisor or Council (as appropriate).

Ethical Questions

The Code of Conduct can't outline every situation or relationship that might create a conflict of interest. Each of us must understand and be able to apply basic ethical standards. At some time or another in our employment, we will face a situation where we struggle to find an answer to the question, "What is the right thing to do?"

Talk to your peers or to your supervisor(s). If you can't arrive at an answer or if your issue is too sensitive to discuss with a peer or supervisor, feel free to speak to the your Director, Human Resources, BSCG, Legal Services or the CAO/DCAO.

Representing Private Interest before a Municipal Agency or Council:

Employees who appear before HRM Council, its Committees or Boards on behalf of an outside organization must declare their involvement to the Chief Administrative Officer or his/her designate. If you are in a position to advise Council, your interest in a particular issue could be seen as favouritism or a conflict of interest. It must be clear to everyone involved that your volunteer work is done as a private individual and not as a HRM Representative.

What to do:

1. Let people in the community group know about the HRM's Code of Conduct.
2. Advise the CAO's office of any appearance that may cause a conflict between your job duties and outside activities.

Q: I belong to a non-profit organization. May I appear before HRM Council on its behalf?

A: Yes. You have the right to appear, on your own time, before HRM Council, its Committees and Boards on behalf of public groups. You also have a right to appear as a taxpayer, elector or owner on issues specified in the MGA.

Q: May I appear before HRM Council on behalf of my private company?

A: Yes. However, you must appear on your own time and declare your involvement with the City Clerk's Office and your Director, prior to your appearance.

HRM Assets

HRM assets include all equipment and material or resources owned or controlled by the municipality. The HRM, like any organization, cannot afford to lose or misuse time, money or resources. We serve the citizens of the Halifax Regional Municipality and to do our jobs properly, we need to have all resources available at all times. Whether the asset in question is work time, a vehicle or a computer, it must be ready and available to do the work.

Things To Do

- ▶ Respect HRM assets and take proper care of them.
- ▶ Use HRM assets only for HRM work.
- ▶ Reimburse the HRM promptly for any personal costs (ie: long distance calls, photocopying, etc).
- ▶ Obtain written approval for exemptions.

Things Not To Do

- ▶ Take home HRM assets for personal use without prior approval and in keeping with the policy.
- ▶ Use your HRM vehicle for personal business.
- ▶ Install personal software on HRM computers.
- ▶ Download software from the Internet without prior approval.
- ▶ Store large amounts of non-work related data on HRM computers.
- ▶ Fail to report a lost or damaged piece of equipment, supplies or material.

Members of Council or employees who have reason to believe that this Code of Ethics has been breached in any way are encouraged to bring their concerns to their manager(employees) or to any member of the Senior Management Team and the CAO/DCAO. No adverse action shall be taken against any Member of Council or employee who, acting in good faith, brings forward such information.