



## **POLICY**

### **I. PURPOSE**

The purpose of this policy is to:

- (a) safeguard public interest by clearly identifying and addressing standards of employee conduct relating to actual and apparent conflicts of interest;
- (b) prevent Employees from using their employment positions for private gain;
- (c) protect Employees from inadvertently placing themselves in a Conflict of Interest position;
- (d) provide avenues for Employees to clarify and prevent potential conflicts of interest before they occur; and
- (e) protect the reputation of the City.

### **II. APPLICATION**

This policy applies to all Employees.

This policy supplements and does not supersede or replace other policies adopted by Council or other contractual or statutory obligations.

### **III. POLICY**

Employees are expected to perform their duties on behalf of the City faithfully, diligently, honestly and to the best of their abilities. Every employee owes a duty of loyalty and fidelity to the City. Employees must never place themselves in a position where their self-interest may conflict with this duty. Employees must avoid engaging in activities where personal interests actually or potentially conflict with the interests of the City.

Employees must not engage in any activity that results in actual or potential conflict of interest. Employees must promptly disclose to their Manager circumstances which could result in any actual or potential conflict of interest so that the matter may be fully assessed.

### **IV. DEFINITIONS**

In this Conflict of Interest Policy:

**Business Associate** means any person legally linked with the Employee, including but not limited to persons linked with the Employee through business



contracts, partnerships, firms, enterprises, franchises, trusts, joint ventures, finances, real estate, or other for-profit legal entities or agreements;

**City Property** includes, but is not limited to, City buildings and land, equipment, supplies, stores, vehicles, materials, recovered materials (salvage), technology resources, financial assets, information and work time;

**City** means the City of Richmond;

**Conflict of Interest** means a situation where an Employee has a private or personal interest sufficient to influence or to appear to influence the objective performance of his or her duties as an Employee of the City, and includes a Direct or Indirect Conflict of Interest;

**Direct Conflict of Interest** means a situation where an Employee derives or is seen to derive some financial or personal benefit or avoid financial or personal loss;

**Employee** means an individual employed by the City, including those on contract and in a volunteer capacity, but not including elected officials;

**Indirect Conflict of Interest** means a situation where a potential pecuniary or non-pecuniary benefit or avoidance of loss is experienced by a person or corporation related to the Employee;

**Manager** means a City Departmental or Divisional Manager;

**Political Activity** includes, but is not limited to, being a candidate for elected office, campaigning for a candidate for elected office, fundraising for an election campaign, or promoting a political party or cause; and

**Relative** means a person's husband, wife, children, wards, parents, brothers, sisters (including foster or step), parents-in-law, brothers-in-law, sisters-in-law, sons-in-law, daughters-in-law, grandparents, grandchildren, guardians, domestic partner or common law spouse.

## V. RESPONSIBILITIES

### (a) Managers

Managers shall make this policy available to their Employees and ensure that the Employees are made fully aware of this policy. Managers shall discuss the entire policy with their Employees and highlight any of the rules that have particular relevance, given the nature of the Employee's work.



Managers are required to advise senior management of any breach of this policy. Upon receiving verbal or written disclosure or becoming aware of an actual or potential Conflict of Interest, the Manager shall determine that either no conflict exists or take reasonable steps to ensure that the matter is addressed by consulting with the appropriate Human Resources Manager. Failure to take immediate action by the Manager in addressing Conflicts of Interest or silence is akin to condoning the Conflict of Interest itself and may result in a breach of this policy.

The Manager and the Human Resources Manager shall determine jointly the proper course of action, and shall ensure that the Conflict of Interest or potential Conflict of Interest situations they are resolving are documented, starting from disclosure, review and evaluation through to resolution. Such documentation shall be retained in confidence at the Human Resources Division.

It is the responsibility of departmental/divisional management to ensure that each Conflict of Interest situation is investigated, and dealt with fairly and consistently.

(b) Employees

Employees are required to read, clarify and confirm their understanding, and comply with this policy.

Employees have a duty to report under this policy, and shall immediately and fully disclose in writing or verbally to their Manager if they are in a Conflict of Interest or potential Conflict of Interest.

In the case of the Chief Administrative Officer, disclosure shall be made in writing to the Council of the City.

In addition to self-disclosure, Employees are required to advise management of any potential breach of this policy by others.

## **VI. VIOLATION OF POLICY AND CONSEQUENCES**

Violation of this policy, including failure to disclose a Conflict of Interest, may result in disciplinary and/or remedial action. The City will determine the appropriate consequence(s) for breach which may include, but are not limited to the following:

- the Employee is instructed to divest himself or herself of the outside interest;
- the Employee is instructed to cease the action resulting in the breach of the Conflict of Interest Policy;



- the Employee is subject to disciplinary action up to and including termination of employment;
- the Employee is reassigned to other duties pending further investigation;
- the City may seek to recover losses;
- commencement of civil action or, if applicable, consideration of criminal prosecution.

## **VII. RECOGNIZING CONFLICTS OF INTEREST**

Employees must conduct themselves at all times in accordance with the highest ethical standards and in a manner which will withstand the closest scrutiny. As each situation depends on its particular facts, the following is not an exhaustive list, but rather provides examples of obvious conflicts of interest:

### *1. Receiving Meals, Refreshments, Entertainment or Gifts*

An Employee may accept customary business hospitality, such as meals, refreshments, entertainment or gifts with full knowledge of his or her Manager, provided that:

- it is a normal exchange of hospitality;
- it is a token exchanged as part of protocol;
- it is a normal presentation made to the person for participating in public functions;
- it is not lavish or extravagant under the circumstances; and
- it is infrequent.

It is the personal responsibility of each Employee to ensure that the acceptance of such meals, refreshments, entertainment or gifts is proper and could not reasonably be construed in any way as an attempt by the offering party to secure favourable treatment.

### *2. Commission, Reward or Benefit*

An Employee shall not accept or offer or agree to accept a commission, reward, advantage or benefit of any kind from any person dealing with the City, either on his or her own behalf or through a Relative or other person, for his or her own benefit.



### 3. *Outside Interest*

During working hours, employees are expected to devote their full time and attention to the business affairs of the City. An Employee shall not engage in any outside employment (including acting as a consultant for a third party that is undertaking projects in the City), business or undertaking that:

- conflicts with his or her duties as an Employee;
- causes the Employee to gain benefits as a result of his or her position as an Employee;
- influences or affects the carrying out of his or her duties as an Employee; or
- involves the use of City Property. An Employee's use of City Property for personal convenience or profit not associated with the official discharge of duties, may be a potential Conflict of Interest unless the property is available for use by the general public generally, or the property is made available under City policy or terms of employment.

An Employee shall not represent, nor contract to, nor lobby on behalf of any private interest in dealing with the City.

A Conflict of Interest exists when:

- the Employee's ability/judgment is influenced by his or her own personal interest or the interest of third parties against the better interest of the City;
- the Employee's outside interest interferes with his or her ability to perform work for the City;
- the Employee uses City Property for his or her outside interest without authorization;
- the Employee's outside interest involves the performance of work requiring the inspection/approval of another Employee within their department;
- the Employee's outside interest is directly or indirectly represented as being work representing the City;
- the Employee's outside interest involves work that is in direct competition with services offered by the City;
- the Employee gains an unfair advantage over others in the conducting of business with the City;
- the Employee's actions in his capacity of Employee affect or appear to affect the interest of the Employee's other employers



or private clients in a way which enhances the personal interest of the Employee;

- The Employee receives additional compensation for performing City duties from a third party external to the City; or
- The Employee's performance of City duties is influenced by offers of future employment.

While it is not the City's desire to interfere with the non-work hours of an Employee, the City may prohibit outside employment that causes the Employee to be in a Conflict of Interest.

4. *Financial Interest*

An Employee who has financial interest in a City contract, sale or other business transaction or has relatives, friends or Business Associates with such interest, is required to declare the relationship in writing to his or her Manager, and shall not represent or advise the City in such transactions.

5. *Preferential Treatment*

An Employee shall not give or appear to give preferential treatment to any Relatives, friends or Business Associates or to anyone else that would advance the Employee's personal interests.

6. *Confidential Information*

An Employee shall not use confidential or privileged information of the City to advance his or her personal interest or the interests of others. Access to confidential information should be on a "need to know" basis i.e., confidential information is shared only with those whose job duties require that they need to know the information.

7. *Post-Employment Conflict of Interest*

An Employee shall not act, after he or she leaves the employ of the City, in such a manner as to take improper advantage of their previous office. Actions negatively impacting the City as a result of information gained during an Employee's former employment with the City may be pursued to the full extent of the law. Each situation will be reviewed separately.



## 8. *Purchasing Conflict of Interest*

An Employee who has a direct or indirect financial interest in a supplier doing business with the City, other than an insignificant investment in a publicly-held company, is considered to be in a Conflict of Interest and shall declare the Conflict of Interest to his or her Manager. An Employee may not be involved in the placement of City business with a company owned or controlled by an Employee or relative; the Manager must make arrangements to clearly exclude the Employee from participating or influencing the applicable purchasing decisions.

An Employee may not make a personal bid on the purchase of City Property or goods, except when these are also offered to the general public.

An Employee shall not accept discounts/rebates on personal purchases from suppliers having an existing business relationship with the City, unless it is the general practice of those suppliers to offer the same discounts/rebates to employer groups including, but not limited to, the City.

An Employee shall not purchase goods and services through the City for personal use, unless specifically allowed by Council as in the purchase of a personal computer to improve the productivity of City business activities.

## 9. *Employment of Relatives*

The City may employ a Relative of an existing Employee if the Relative is the best qualified candidate for the position, subject to any applicable collective agreement provisions and subject to this Policy.

It is not the intention of this Policy to unduly restrict or enhance employment opportunities with the City based on family relationships. However, the City will not employ, appoint, transfer or promote a Relative of a current employee where the action will result in the risk or real or potential conflict of interest. Such conflicts may occur where there is:

- any undue influence exercised directly or indirectly on the selection and hiring process
- direct or indirect supervisory relationship
- the ability of one family member to influence or exert financial or administrative control over another.



The determination of whether the employment of Relatives results in real conflict or that potential conflict exists will be made on a case by case basis by the appropriate Manager in consultation with the Director of Human Resources.

Candidates and Employees who are or become related to each other while employed by the City are required to advise the City of the relationship at the earliest reasonable opportunity.

10. *Political Activity*

An Employee shall not run for election or be nominated to run for Mayor or City Councillor without first taking a leave of absence without pay as required by Section 67 of the *Local Government Act*.

An Employee shall not run for elected office provincially or federally if a Conflict of Interest exists between running and the Employee's responsibilities to the City.

Further, an Employee shall not actively campaign for election funds for a candidate for elected office with the City of Richmond. Further, no campaigning for any election funds may be conducted during working hours.

11. *Harm to Business or Reputation:*

Employees must refrain from engaging in conduct that could adversely affect the City's business or reputation. Such conduct may include but is not limited to:

- i. publicly criticizing the City, its management or its employees; or
- ii. engaging in criminal conduct or other conduct that could harm the City's business or reputation.

**VIII. DISCLOSURE, REVIEW AND EVALUATION**

Upon disclosure of a Conflict of Interest by an employee, the city will take appropriate steps to protect against any actual or potential conflict of interest. Such steps may include:

- i. requiring the employee to refrain from involvement in any decisions made by the City regarding its dealing with the person, business or enterprise giving rise to the conflict; or
- ii. requiring the Employee to refrain from any involvement in any dealings on behalf of the City with such person, business or enterprise; or



- iii. requiring the Employee to dispose of his/her interest in such business or enterprise if he/she wishes to remain in the City's employ.

**IX. OTHER**

An Employee who knowingly makes false, frivolous or vexatious allegations about another Employee may be subject to disciplinary action including termination of his or her employment with the City.