PURPOSE:

This policy establishes standard rules regarding incompatible activities, conflicts of interest, and code of ethics which are to be followed by the Auditor and Controller Department employees.

BACKGROUND:

On June 15, 1983, the Chief Administrative Officer adopted rules regarding Incompatible Activities Law and Conflict of Interest (Admin. Manual, 0010-3). This includes Government Code Sections 1125-27.

These rules require each appointing authority: "to formulate rules specifying those activities for compensation outside of the normal duties of officers and employees under his/her jurisdiction which are incompatible to or in conflict with their duties as County officers and employees."

CAO Policy also requires all County employees to complete: (1) Disclosure Statement (AUD 263), see Attachment A; and (2) Statement of Economic Interest (Form 700) see Attachment B-1-1, located in the Department's Personnel Office.

Employees are reminded of the following rules and laws:

1. Section 7.14 Civil Service Rules – Outside Employment:

   Employees of this County shall devote all their time and efforts, during their assigned work hours, to their assigned duties. An employee shall not engage, at any time, in any outside employment, or in any outside business activity or enterprise, which is inconsistent, incompatible, in conflict with or inimical to his/her duties as a County employee or the duties, functions, or responsibilities of his/her appointing authority or of the department in which he/she is employed.

   An appointing authority may require an employee of his/her department to inform him/her of any outside employment, business activity or enterprise in which the employee is engaged. If the appointing authority determines that such employment, business activity, or enterprise is inconsistent, incompatible, in conflict with or inimical as foresaid, he/she may order the employee to refrain therefrom; provided, however, that the employee may appeal from such order to refrain in the manner provided in this Rule VIII for appeals from an order of suspension, demotion or removal.

POLICY

Overall, it is the Department's policy, in accordance with the Civil Service Rules of the County of San Diego, that:

The Auditor and Controller Department employees shall not engage at any time in any outside employment or in any outside business activity or enterprise which is inconsistent, incompatible, in conflict with or inimical to assigned duties as a County employee of the duties functions or responsibilities of the appointing authority and the Department.

The Chief Financial Officer/Auditor and Controller has adopted the standard County Conflict of Interest Code. (See Attachment C.)

It is the Chief Financial Officer/Auditor and Controller's policy that "Rules For Incompatible Activities" shall be adopted as the Department policy. (See Attachment D.)

All employees shall submit Incompatible Activities Disclosure Cards (AUD 263), on a semi-annual basis. In addition, a Statement of Economic Interest (Form 700) and other forms as stipulated, shall be submitted annually by designated employees as outlined in this policy. These forms shall be reviewed by the appointing authority or his/her designee, signed and dated.

The Chief Financial Officer/Auditor and Controller has also incorporated a Code of Ethics for all employees (See Attachment E) taken from the American Society for Public Administration's "Code of Ethics and Implementation Guidelines" adopted by ASPA National Council on March 27, 1985.

STANDARDS AND GUIDELINES

1. Incompatible and Prohibited Activities:

   The Administrative Manual requires that Department Heads establish rules governing Incompatible Activities and Conflicts of Interest. These rules are stated in the "Auditor and Controller's Rules for Incompatible Activities." (See Attachment D.)

2. The Chief Financial Officer/Auditor and Controller's Requirement to File a Statement of Economic Interest:

   The Chief Financial Officer/Auditor and Controller is required by Administrative Manual Policy 0010-3 to complete a "Statement of Economic Interest" (Form 700) within 30 days of assuming office, leaving office, or changing economic status. The Chief Financial Officer/Auditor and

Controller's Form 700 must be filed, reviewed and retained by the Chief Administrative Officer. The Chief Financial Officer/Auditor and Controller is also responsible for designating key employees who are responsible for completing a Form 700. A list of designated positions is included in Exhibit A of Attachment B-1 (Statement of Economic Interest).

Disclosable or Reportable Interests

The types of reportable interests are specified in the "Statement of Economic Interests for Designated Employees" Manual and Form 700. In general, the kinds of interests which may have to be reported on Form 700 C include:

Investments – worth $1,000 or more*
Interests in Real Property and Investments*
Income aggregating $250 or more *
Loans aggregating $250 or more*
Gifts aggregating $50 or more **
Honoraria aggregating $50 or more **
Business Positions held in a business entity*

* From sources within the County of San Diego.
** From sources within or outside the County of San Diego.

3. Incompatible Activities Disclosure Cards:

   A. Current Employees – Each employee in the Auditor and Controller Department is required to complete a Disclosure Card (AUD 263) on a semi-annual basis.

   B. New Employees – New employees are required to submit a Disclosure Card (AUD 263) within 10 days of their appointment.

   C. The Chief Financial Officer/Auditor and Controller will complete a Disclosure Card (AUD 263) on an annual basis in February and submit to the CAO for review, approval and retention.

4. Outside Employment:

   Outside employment is generally allowed, unless the job conflicts with the Auditor and Controller's "Rules for Incompatible Activities." Employees with jobs which are in addition to their County employment shall not be limited to a specific number of hours unless the work adversely affects or is incompatible with their County job. In these cases, adverse work habits will be addressed as a disciplinary issue.

5. Review of Incompatible Activities Disclosure Cards and Statements of Economic Interest and Other Required Forms:

   The Appointing Authority or designee shall review each Incompatible Activities Disclosure Card (AUD 263) and Statement of Economic Interest (Form 700). This review shall "...identify any potential conflict of interest or incompatible activity."

   In the Auditor and Controller Department, the review of these cards is delegated to the Administrative Service Manager and/or Personnel Officer or their respective designees. Each card must be initialed and dated to indicate that the review has been completed.

   Incompatible Activities Disclosure Cards:

   A. Disclosure Cards without Conflicts

      For cards without any listed outside activities or conflicts, the supervisor will review, initial, date and forward to the payroll clerical staff. (See procedures on Disclosure Cards.)

   B. Disclosure with Potential Conflicts

      For cards with any listed outside activities or potential conflicts, the direct supervisor, Division Director and/or the Administrative Service Manager or designees must also sign and date the form. These cards are then reviewed and signed by the supervisor and/or Division Director. (See procedures on Statement of Economic Interests.)

6. Failure to Submit Statement of Economic Interest/Incompatible Activities Disclosure Cards:

   Employees failing to submit complete forms on a timely basis are subject to disciplinary action.

7. Investigations/Appeals:

   The Division Director is responsible for reviewing, investigating and reporting on possible conflicts or incompatible activities. When a conflict is found, the Division Director shall submit a copy of his/her report to the Appointing Authority for a determination. A copy shall be filed in the Personnel/Payroll section.

In accordance with Rule VIII of the San Diego County Civil Service Rules:

"If the Appointing Authority determines that such employment, business activity or enterprise is inconsistent, incompatible, in conflict or inimical as aforesaid, the employee shall be ordered to refrain therefrom; provided, however, that the employee may appeal such order to refrain in the manner provided in Rule VII for appeal from an order of suspension, demotion or removal."

8. Personnel Reporting and File Retention Responsibilities:

   A. The Personnel Officer files periodic reports with the Appointing Authority regarding compliance with this policy, potential conflicts, and other related issues.

   B. All forms are retained on file for 2 years in addition to the current year.

PROCEDURES

1. Statement of Economic Interests:

   A. Personnel Section

      1. Issues the Statement of Economic Interest (Form 700) to designated employees.

   B. Designated Employees

      1. Employees listed in Exhibit A of Attachment B-1 will complete Form 700 and submit the form to their supervisor in a timely basis.

   C. Administrative Services Manager/Designees

      1. Reviews and analyzes the form for compliance with this policy.

      2. Signs and dates the form or takes corrective action, as needed.

      3. Submits the form to the Personnel Section.

D. Personnel Section

1. Reviews each Form 700 for completeness and compliance with this policy.

2. Initials and dates those Form 700s where no conflict is reported or suspected.

3. Maintains a master list of designated employees; posts the receipts of forms to the master list; and ensures that a Form 700 is completed for designated employees assuming office and leaving office.

2. Incompatible Activities Disclosure Cards:

A. Personnel Section

1. Issues Disclosure Cards (AUD 263) with employee paychecks on a semi-annual basis.

B. Employee

1. Completes Form AUD 263 and submits the form to his/her supervisor. Supervisor reviews the form for completeness, then forwards it to the Division Director.

C. Division Director

1. Reviews Form AUD 263, initials and dates it, and submits it to the Administrative Services' Personnel/Payroll Section.

2. Refers potential conflicts to the Administrative Manager for review. Corrective action is taken as needed.

D. Administrative Services' Personnel Section

1. The Administrative Manager or designees reviews AUD 263s for completeness and compliance with the policy.

2. Investigates potential conflicts with the employee's supervisor and/or Division Director.

3. Reviews, initials and dates AUD 263s when supervisor initials are absent and no conflicts are declared.

4. Posts the receipt of AUD 263s to the master alphabetic list.

5. Ensures that an AUD 263 is completed for each current employee.

6. Files the Disclosure Cards and alpha list.

WILLIAM J. KELLY
Chief Financial Officer/Auditor and Controller

2/11/99
DATE

Attachments: "A", "B", "C", "D", "E"

Effective Date: February 4, 1997