COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS

2004 JUL -9 AM 11: 12

THOMAS J PASTUSZKA
CLERK OF THE BOARD
OF SUPERVISORS

2004 Local Biennial Notice

Name of Agency: Auditor + Controller

Mailing Address: 1600 Pacific Highway San Diego, CA. 92101

Contact Person: Al Arocho Office Phone No: (619) 531-5412

E-mail: al.arocho@sdcounty.ca.gov Fax No: (619) 515-4253

This agency has reviewed its conflict-of-interest code and has determined that:

☒ **An amendment is required. The following amendments are necessary:**
(Check all that apply)

- ☒ Include new positions (including consultants) that must be designated
- ☒ Delete positions that manage public investments from the list of designated positions
- ☒ Revise disclosure categories
- ☒ Revise the titles of existing positions
- ☒ Delete titles of positions that have been abolished
- O Other *(describe)* _____

☐ **No amendment is required.**
The agency's code accurately designates all positions that make or participate in the making of governmental decisions; the disclosure categories assigned to those positions accurately require the disclosure of all investments, business positions, interests in real property, and sources of income which may foreseeably be affected materially by the decisions made by those holding the designated positions; and the code includes all other provisions required by Government Code Section 87302.

5413

Terry McSorley
Signature of Chief Executive Officer

7/1/04
Date

COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS

2005 JAN 20 PM 2: 35

THOMAS J PASTUSZKA
CLERK OF THE BOARD
OF SUPERVISORS

Complete this notice regardless of how recently your code was approved or amended.
Please return this notice no later than **October 1, 2004** to:

Clerk of the Board of Supervisors
(COI Biennial Review)
1600 Pacific Highway, Room 402
San Diego, CA 92101

APPROVED AND/OR AUTHORIZED BY THE BOARD
OF SUPERVISORS OF THE COUNTY OF SAN DIEGO
DATE: 03-01-05 MINUTE ORDER NO: 12
THOMAS J. PASTUSZKA
CLERK OF THE BOARD OF SUPERVISORS
BY Claire Tosh
DEPUTY CLERK

PURPOSE

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

BACKGROUND

On June 15, 1983, the Chief Administrative Officer (CAO) adopted rules regarding Incompatible Activities and Conflict of Interest (Administrative Manual, Item No. 0010-3), pursuant to Government Code Sections 1125-1127, which require each appointing authority to formulate rules specifying those activities for compensation outside the normal duties of officers and employees under his/her jurisdiction which are inconsistent or incompatible with their duties as County officers and employees.

CAO policy requires all County employees to complete a Disclosure Statement (AUD 263) [Attachment A]. Designated employees must also file a Statement of Economic Interests (Form 700) [Attachment B]. A list of designated positions in the Auditor and Controller Department that require completion of a Form 700 is included in this policy [Attachment B-1].

Employees are reminded of Civil Service Rule VIII – Conflicts of Interest:

> *Employees of the 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 assigned duties as a County employee or the duties, functions, or responsibilities of the appointing authority and the Department.*
>
> *Appointing authorities may require an employee of their department to inform them 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 aforesaid, the employee shall be ordered to refrain therefrom; provided, however, that the employee may appeal from such order to refrain in the manner provided in Rule VII for appeal from an order of suspension, demotion or removal.*

POLICY

It is the Auditor and Controller Department's policy, in accordance with the Civil Service Rules of the County of San Diego, that employees shall:

1. 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 or the duties, functions or responsibilities of the appointing authority and the Department, and

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

Further, the Auditor and Controller has:

1. Adopted the County's standard Conflict of Interest Code [Attachment C],

2. Established "Rules Regarding Incompatible Activities" as policy [Attachment D], and

3. Incorporated a Code of Ethics [Attachment E] for all employees taken from the American Society for Public Administration's (ASPA) "Code of Ethics and Implementation Guidelines," adopted by ASPA National Council on March 27, 1985.

STANDARDS AND GUIDELINES

1. Incompatible 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 Department's "Rules Regarding Incompatible Activities [Attachment D]."

2. Statement of Economic Interests:

   The Assistant Chief Financial Officer/Auditor and Controller is required by Administrative Manual Policy No. 0010-3 to complete a "Statement of Economic Interests" (Form 700) within thirty (30) days of assuming office, leaving office, or

changing economic status. The Assistant Chief Financial Officer/Auditor and Controller's Form 700 must be submitted to and reviewed and retained by the Chief Administrative Officer. The Assistant Chief Financial Officer/Auditor and Controller is also responsible for identifying key employees who are responsible for completing a Form 700. A list of designated positions is included in Exhibit A [Attachment B.1]

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 type of interests that may have to be reported include:

Investments totaling $2,000 or more*
Interests in Real Property totaling $2,000 or more*
Income aggregating $500 or more*
Loans aggregating $500 or more from a single source*
Gift valued at $50 or more, or with an aggregate total of $50 from a single source**
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. Disclosure Statement:

   a. Current Auditor and Controller Department employees are required to complete a Disclosure Statement (AUD 263) on semi-annual basis.

   b. New employees are required to submit a Disclosure Statement within ten (10) days of their appointment.

   c. The Assistant Chief Financial Officer/Auditor and Controller will complete a Disclosure Statement on an annual basis in February and submit to the Chief Administrative Officer for review and retention.

4. Outside Employment:

   Outside employment is generally allowed unless the job conflicts with the Auditor and Controller Department's "Rules Regarding Incompatible Activities." Employees with jobs 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 Statements of Economic Interests, Disclosure Statements and Other Required Forms:

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

   In the Auditor and Controller Department, the review of Disclosure Statements is delegated to the Senior Auditor and Controller Manager in the Administrative Services Division and/or Departmental Personnel Officer or their respective designees.

   Disclosure Statements:

   a. Without Outside Activities or Conflicts

      For cards without any listed outside activities or conflicts, the division director or his/her designee will review, initial, date and forward to the Administrative Services Division for review.

   b. With Outside Activities or Potential Conflicts

      For cards with any listed outside activities or potential conflicts, the division director or his/her designee will review, initial, date and forward to the Administrative Services Division. Each card must be initialed and dated to indicate that the review has been completed.

Statement of Economic Interests:

Statement of Economic Interests (Form 700) will be completed and signed by the employee, reviewed and signed by the division director or his/her designee, then forwarded to the Administrative Services Division.

6. Failure to Submit Statement of Economic Interests/Disclosure Statement:

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

7. Investigations/Appeals:

The division director is responsible for reviewing, investigating and reporting possible conflicts or incompatible activities. When a conflict is identified, the division director shall submit his/her report to the appointing authority for review and determination. A copy shall be filed in the Administrative Services Division.

In accordance with Rule VIII of the County of San Diego 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 from 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 Departmental 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 (Form 700):

   a. Administrative staff issues the Statement of Economic Interests to designated employees.

   b. Employees listed in Exhibit A (Attachment B-1) complete and submit forms to supervisor within a predetermined timeframe.

   c. Division director or designee reviews forms for policy compliance, signs and dates or takes corrective action as needed, then forwards forms to the Administrative Services Division.

   d. Administrative staff reviews forms for completeness and policy compliance, and initials and dates forms where no conflict is reported or suspected. Staff maintains a master list of designated employees, posts receipt of forms to the master list, and ensures that a form is completed by designated employees assuming or leaving office.

2. Disclosure Statements (AUD 263):

   a. Administrative staff issues Disclosure Statements to all employees on a semi-annual basis.

   b. Employee completes and submits form to his/her supervisor, who reviews for completeness and forwards to division director.

   c. Division director reviews, initials and dates forms, and forwards to Administrative Services Division staff; potential conflicts of interest are referred to the Administrative Services Division manager for review and corrective action if warranted.

d. Administrative staff reviews Disclosure Statements for completeness and policy compliance; investigates potential conflicts with the employee's supervisor and/or division director; reviews, initials and dates forms when supervisor initials are absent and no conflicts are declared; posts receipt of forms to master list; ensures that a Disclosure Statement is completed for each current employee; and files forms and master list.

Attachments: A, B, B-1, C, D, E

Tracy M Sandoval

TRACY M. SANDOVAL
Assistant Chief Financial Officer/Auditor and Controller

7/1/04
DATE

ATTACHMENT A

DISCLOSURE STATEMENT (AUD 263)

RULES REGARDING INCOMPATIBLE ACTIVITIES

On February 29, 1972, the Board of Supervisors adopted rules governing application of incompatible activities law (G.C.Secs. 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 its jurisdiction which are incompatible to or in conflict with their duties as County officers and employees. The rules are available in your department and require you to disclose to your appointing authority, in writing, any outside employment or activity for compensation which relates to your County duties or the functions and responsibilities of your department, office or court, or which may be subject to approval by another County officer or employee.

You are hereby requested by your appointing authority to file the disclosure statement form on the reverse side indicating no outside activity for disclosure, or disclosing those outside activities for compensation which are covered by the rules. Any modifications to previously filed statements should be made at this time also. Please complete the form and return it to your appointing authority.

DISCLOSURE STATEMENT

1. Name_____ Dept._____
2. Job Classification_____
3. Name of outside employer:_____
   (Indicate self-employment, if applicable)

NOTE: If you do not have outside activity for compensation, write "None" on line 3.

4. Duties of outside employment:_____
5. Hours per week (average) of outside employer:_____
   (Note Peak Periods)
6. General Comments_____

   _____
7. Signature_____ Date_____
8. Reviewed by:_____ Date_____

AUD 263 (Rev. 2/93)

ATTACHMENT B-1

EXHIBIT A

AUDITOR AND CONTROLLER
Effective Date: 03/16/04

Reportable Economic
Interest Category – Form 700

Designated Positions

1.	Assistant Chief Financial Officer/Auditor and Controller	A1, A2, B, C, D, E, F
2.	Deputy Controller	A1, A2, B, C, D, E, F
3.	Financial Policy and Planning Director	A1, A2, B, C, D, E, F
4.	Chief of Audits	A1, A2, B, C, D, E, F
5.	Revenue and Recovery Director	A1, A2, B, C, D, E, F
6.	Senior Auditor and Controller Manager	A1, A2, B, C, D, E, F
7.	Collection Services Manager	A1, A2, B, C, D, E, F
8.	Cost Analyst	A1, A2, B, C, D, E, F
9.	ERP System Administrator	A1, A2, B, C, D, E, F
10.	Departmental Information Technology Coordinator	A1, A2, B, C, D, E, F
11.	Departmental Technology Systems Specialist	A1, A2, B, C, D, E, F
12.	Departmental Technology Systems Technician	A1, A2, B, C, D, E, F

Note Regarding Consultants

1. No consultants are presently retained by the Auditor and Controller Department.

2. The position by name or job title of each person classified as a "designated employee" in any contract which the Department enters into for consulting services with a person or business entity (whether or not a nonprofit entity). Such a designation will be made in the contract with respect to any person who, in the opinion of the Department, may reasonably be expected to make, participate in making, or in any way attempt to use his/her position as a "consultant" to influence a governmental decision in which the person might reasonably be expected to have a financial interest.

ATTACHMENT C

AUDITOR AND CONTROLLER DEPARTMENT
CONFLICT OF INTEREST CODE

The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, Title 2, Division 6, Cal. Code of Regulations Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, the terms of Title 2 Cal. Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Exhibit A in which members and employees are designated and disclosure categories are set forth, constitute the conflict of interest code of the Auditor and Controller Department.

Pursuant to Section 4(a) of the standard code, designated employees shall file statements of economic interests with the Department. Upon receipt of the statement from the Assistant Chief Financial Officer/Auditor and Controller, the Department shall make and retain a copy and forward the original to the Clerk of the Board of Supervisors. Economic interest statements submitted by all other designated employees will be retained in the Department.

Tracy M Sandoval

TRACY M. SANDOVAL
Assistant Chief Financial Officer/Auditor and Controller

7/1/04
DATE

ATTACHMENT D

AUDITOR AND CONTROLLER DEPARTMENT
RULES REGARDING INCOMPATIBLE ACTIVITIES

Pursuant to Government Code Sections 1125-1127 and Board of Supervisors' Resolution of February, 1972(41), each appointing authority of the County of San Diego is required to formulate rules specifying those activities for compensation, outside of County duties of the employees under his/her jurisdiction, which are inconsistent or incompatible with their duties as County employees. In compliance with this rule, the Assistant Chief Financial Officer/Auditor and Controller has determined that outside activities set forth in the rules, as outlined below, would be detrimental to the functions and responsibilities of employees of this Officer and are therefore prohibited.

I. Any activity which involves the use for private gain or advantage of County time, facilities, equipment or materials, including but not limited to:

   a. Any outside employment, including employment with another government entity or nonprofit organization, or personal activity which results in receipt of telephone calls or visitors by the employee while he/she is on duty at his/her County employment.

   b. Use of any County equipment, sale of publications or written materials that were prepared on County time or utilized County facilities, equipment and/or material for personal gain or advantage. Funds from the sale of copies of County reports are deposited in the County General Fund.

   c. Any outside employment activity, including employment with another government or nonprofit organization, which would interfere with the efficient performance of an employee's County duties in the Auditor and Controller Department.

II. Any activity which involves the use for private gain or advantage of the badge, uniform, prestige or influence of the individual's County employment, including the following:

   a. Directly or indirectly soliciting, seeking or accepting personal loans, gifts, gratuities, business, compensation or favors from public jurisdiction, private business firms or their agents who deal with this Office or any department of the County of San Diego.

   b. Using official information not readily available to the general public, gained in the course of County employment, for private gain or advantage or the gain or advantage of another.

   c. Awarding **<u>or administering</u>** a contract or purchase order to any firm in which the employee has any interest either direct or indirect.

III. Any activity which involves receipt by the employee of money or other consideration from private parties for the performance of acts which the employee is expected to render in the regular course of his/her duties as a County employee, including:

a. Any consultation work for a fee or other remuneration concerning the application or interpretation of orders, directives, or other communications of this Department, the Board of Supervisors or any other agency or department of the County of San Diego.

b. Accepting any form of bribery, or any appearance or perception of so doing.

IV. Any activity which is in conflict with the duties and responsibilities of the employee's Department, including:

a. Any paid or unpaid outside employment, including employment with another government entity or nonprofit organization, which will impair the employee's independence of judgment as to his/her County duties.

b. Any outside activity, including employment with another government entity or nonprofit organization, which will require or induce the employee to disclose confidential information acquired by him/her in the course of his/her County duties.

c. Outside employment, including employment with another government entity or nonprofit organization, with an entity which has a contract with the County, or has had a contract with the last twelve (12) months.

d. Functioning in any purchasing or sales activity whereby County vendor contacts may be utilized.

e. Working in a paid or unpaid capacity for a present or known prospective County supplier.

f. Any outside employment or activity that would reflect unfavorably on the Auditor and Controller Department or the County.

g. Any outside employment, including employment with another government entity or nonprofit organization, in which a part of the employee's efforts therein may be subject to approval, review, control, or audit by another employee, officer, board or commission of the County.

V. Disclosure of Outside Activities

a. Employees of the Auditor and Controller Department shall disclose or report to the Department Head in writing any outside employment or activity where any part of his/her efforts will be subject to approval by any other officer, employee, board or commission of the County.

b. Employees of the Auditor and Controller Department shall disclose any assignment or work that relates to any organization, property or activity in which he/she or a member of his/her immediate family has an interest. He/she will disclose and report such interest in writing to the Department Head.

c. Employees of the Auditor and Controller Department shall disclose to the Department Head in writing if he /she makes a presentation before any officer, board or commission which the Auditor and Controller represents or advises and in which the employee or a member of his/her immediate family has an interest.

d. Employees of the Auditor and Controller Department shall disclose in writing any paid position held in a nonprofit entity that has or is seeking contracts with the County of San Diego.

e. Disclosure requirements shall be applicable to employees of the Auditor and Controller Department who are employed by another government entity or nonprofit organization.

f. Where employees of the Auditor and Controller Department are authorized to expend time and/or resources on outside activities, those involved will document the activities and make it available to the Department Head.

VI. Any outside activity that involves time demands which render the performance of his/her County duties less efficient.

a. Outside employment or activity due to its nature or direction causing an employee to perform his/her duties in a less than satisfactory manner because of physical or mental fatigue.

VII. Sideline, part-time or after-hours business. An employee may have undertaken a small sideline, part-time or after-hours business or is helping someone with a direct sales organization. This does not, at this time, appear to be detrimental or in conflict with the Auditor and Controller Department operations unless:

a. Business is conducted during County working hours.

b. The activity requires a substantial amount of after-hours working time and would fall under Paragraph VI as noted above.

c. The activity is in conflict with any rule of this policy.

All such activities shall be reported by the employee to the Department Head whenever such activity is undertaken. An employee shall refer any question regarding what may constitute an incompatible activity to the Administrative Services Division or his/her Division Manager.

I, _____, acknowledge that I received a copy and have read and understand the contents of the Rules Regarding Incompatible Activities for the Auditor and Controller Department.

☐ I have no outside interest or activities, as defined in the Rules, to report.

☐ I have outside interest or activities, as defined in the Rules, to report as attached hereto.

_____ Date _____
Signature

Revised 03/16/04

ATTACHMENT E

AUDITOR AND CONTROLLER DEPARTMENT
CODE OF ETHICS

Employees of the Department shall:

1. Demonstrate the highest standards of personal integrity, truthfulness, honesty and fortitude in all public activities in order to inspire public confidence and trust in public institutions.

2. Serve in such a way that they do not realize undue personal gain from the performance of their official duties.

3. Avoid any activity that is in conflict with the conduct of their official duties.

4. Support, implement, and promote merit employment and programs of affirmative action to ensure equal employment opportunity by recruitment, selection and advancement of qualified persons from all elements of society.

5. Eliminate all forms of illegal discrimination, fraud, and mismanagement of public funds, and support colleagues if they are in difficulty because of responsible efforts to correct such discrimination, fraud, mismanagement or abuse.

6. Serve the public with respect, concern, courtesy, and responsiveness, recognizing that service to the public is beyond service to oneself.

7. Strive for personal professional excellence and encourage the professional development of associates and those seeking to enter the field of public administration.

8. Approach the Department and their operational duties with a positive attitude and constructively support open communication, creativity, dedication, and compassion.

9. Respect and protect the privileged information to which they have access in the course of official duties.

10. Exercise whatever discretionary authority they have under law to promote the public interest.

11. Accept as a personal duty the responsibility to keep up-to-date on policies, procedures, regulations and emerging issues, and to administer the public's business with professional competence, fairness, impartiality, efficiency and effectiveness.

(From American Society for Public Administration's "Code of Ethics and Implementation Guidelines" adopted by ASPA National Council on March 27, 1985)

Tracy M Sandoval

TRACY M. SANDOVAL
Assistant Chief Financial Officer/Auditor and Controller

7/1/04
DATE

COUNTY OF SAN DIEGO

INTER-DEPARTMENTAL CORRESPONDENCE

July 8, 2004

COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
04 JUL -9 AM 8: 33
THOMAS J. PASTUSZKA
CLERK OF THE BOARD
OF SUPERVISORS

TO: Thomas J. Pastuszka
Clerk of the Board of Supervisors

FROM: Al Arocho, Senior Auditor and Controller Manager
Auditor and Controller Department

CONFLICT OF INTEREST CODE: BIENNIAL REVIEW AND REVISIONS

In response to your memo dated June 3, 2004, we are forwarding to you for Board of Supervisors approval the 2004 Local Biennial Notice signed by Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller, and the revised Incompatible Activities/Conflict of Interest and Code of Ethics policy for the Auditor and Controller Department.

If additional information is needed, please contact me at (619) 531-5412.

AL AROCHO
Senior Auditor and Controller Manager

ASD:AA:kb

Attachments