

Human Resources Policies  
Conflict of Interest



Category: **Working Environment**

<b>Policy Statement</b>	Employees of the City of Toronto are expected to conduct themselves with personal integrity, ethics, honesty and diligence in performing their duties for the organization. Employees are required to support and advance the interests of the organization and avoid placing themselves in situations where their personal interests actually or potentially conflict with the interests of the City.
<b>Application</b>	This policy applies to all City of Toronto employees. The standards outlined in this policy are particularly relevant to employees who are in a position to make or influence decisions of the organization.
<b>Definition</b>	A conflict of interest refers to a situation in which private interests or personal considerations may affect an employee's judgement in acting in the best interest of the City of Toronto. It includes using an employee's position, confidential information or corporate time, material or facilities for private gain or advancement or the expectation of private gain or advancement. A conflict may occur when an interest benefits any member of the employee's family, friends or business associates.
<b>Conditions</b>	The rules and examples that follow do not exhaust the possibilities for conflict of interest, but they identify obvious situations covered by the policy.
<b><i>Special Treatment</i></b>	Employees are not allowed to use their positions to give anyone special treatment that would advance their own interests or that of any member of the employee's family, their friends or business associates.
<b><i>Receiving Fees or Gifts</i></b>	Employees may not accept gifts, money, discounts or favours including a benefit to family members, friends or business associates for doing work that the city pays them to do. The exceptions to this are promotional gifts or those of nominal value e.g., coffee mug or letter opener with the company's logo or the occasional lunch.
<b><i>Outside Work or Business Activities</i></b>	Employees may not engage in any outside work or business activity: <ul style="list-style-type: none"><li>(a) that conflict with their duties as city employees;</li><li>(b) which use their knowledge of confidential plans, projects or information about holdings of the corporation;</li><li>and</li><li>(c) that will, or is likely to, negatively influence or affect them in carrying out their duties as city employees.</li></ul>
<b><i>Using City Property</i></b>	Employees may not use, or permit the use of, items of city property, facilities, equipment, supplies or other resources for

activities not associated with their work. Any exceptions to this must be expressly approved by either Council or the Deputy City Manager of the affected division.

***Confidential Information***

Employees may not disclose confidential or privileged information about the property, or affairs of the organization, or use confidential information to advance personal or others' interests. Employees cannot divulge confidential or privileged information about the city's employees without those employees' written authorisation.

**Note on confidential information:** The rule against giving out confidential information does not apply to an employee who alleges wrongdoing on the part of the city or its Council members, officers, employees, agents or contractors - as long as the disclosure of such information is not frivolous, vexatious or slanderous - and making the disclosure serves the public interest and is made in accordance with the provisions of this policy. This reporting of wrongdoing is known as whistle-blowing.

***Financial Interest***

Employees who knowingly have financial interests in a city contract, sale or other business transaction, or have family members, friends or business associates with such interests, must not represent or advise the organization in such transactions.

***Guidelines for Management and Professional Staff***

Some positions in the organization are more susceptible than others to conflicts of interest. The following two sections are specifically for executives, managers and employees who give professional advice or assistance, or who work on program policies or budgets. These sections also refer to employees in confidential positions working with the above mentioned staff.

***Representing Others***

Staff described in the paragraph above may not appear before Council or a city committee on behalf of a private citizen other than himself/herself, his/her spouse, his/her parents, or his/her minor children, where the employee is either paid, or is involved in any way in the issue/policy.

***Appointments***

Staff who hold positions described above may not seek or accept appointment to a city committee or board (except in the capacity of a city employee) and require permission from their executive directors/general managers/division heads or designates before accepting appointments to other municipal, provincial or federal commissions boards and committees. Staff who hold positions as board members on community agencies that deal with issues related to their work at the city should inform their executive directors/general managers/division heads or designates of their appointments. When agency issues arise that place them in actual or potential conflict with city policy or procedures, they should declare a conflict of interest.

***Conduct Respecting Lobbyists***

Expectations on dealing with lobbyists are described in Appendix 2. These are consistent with the Code of Conduct for members of Council. See [Appendix 2](#)

<b>Requirement to Report Conflict of Interest</b>	If employees or their family members, friends or business associates have a personal or financial interest that might present a conflict or bias in connection with their duties as city employees, they must report this conflict to their executive directors/general managers/division heads or designates in writing.
<b>Reporting a Conflict of Interest</b>	When an employee reports a conflict of interest to his/her executive director/general manager/division head or designate in writing, a copy is forwarded to the City Manager. If an employee alleges wrongdoing on the part of the city or its Council members, officers, employees, agents or contractors he/she should report this in writing directly to the City Manager.
<b>Failure to Comply With the Policy</b>	Employees who fail to comply with this policy are subject to disciplinary action up to and including dismissal.
<b>Implementation</b>	<p>Managers and supervisors must make the policy available to all employees and must discuss the entire policy with their employees and highlight any of the rules that have particular relevance, given the nature of the employees' work. Managers and supervisors who need assistance interpreting rules and how they apply to specific situations must talk to their division's executive directors, general managers or division heads. Serious consequences may result from the contravention of this policy. Employees should check with management if they need assistance in interpreting whether a situation they have experienced or are confronting puts them in a conflict of interest situation.</p> <p>A brochure identifies the rules of this policy and provide examples to assist employees in understanding these rules. Sample questions and answers can also be found in Appendix 1. See <a href="#">Appendix 1</a></p>
<b>Approved by</b>	City Council (Clause 20, Report No. 16 Administration Committee)
<b>Date Approved</b>	August 4, 2000
<b>Related Information</b>	<a href="#">Appendix 1 Sample Questions &amp; Answers</a> <a href="#">Appendix 2 Supplementary Guidelines</a> <a href="#">Appendix 3 Conduct Respecting Lobbyists</a>
<b>Contact</b>	If employees have questions about the policy or need advice in dealing with conflict of interest issues or other related matters, please contact Ruvani Shaubel, Director Internal Audit, 416-392-8034.



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**Sample Questions and Answers**

The specific rules and examples that follow do not exhaust the possibilities for conflict of interest, but they do identify obvious situations covered by the policy. The accompanying questions and answers are merely illustrations to help explain each rule.

***Special Treatment***

Employees are not allowed to use their positions to give anyone special treatment that would advance their own interests or that of any member of the employee's family, their friends or business associates.

*Sample question:* "A member of my family asked me to bring home an extra permit. I could get an extra permit because I work in the Permits Office, but won't do that. Everyone has to follow the standard procedure for permit applications. Am I right?"

*Answer:* Yes, you are right. Bending the rules to favour a family member or friend would be a conflict of interest.

***Receiving Fees or Gifts***

Employees may not accept gifts, money, discounts or favours including a benefit to family members, friends or business associates for doing work that the city pays them to do. The exceptions to this are promotional gifts or those of nominal value e.g., coffee mug or letter opener with the company's logo or the occasional lunch.

*Question:* "What should I do if a client gives me a gift or some money to thank me for doing a good job?"

*Answer:* Politely refuse the gift or money. You could explain that while you appreciate the offer, accepting it would not be proper according to the city's conflict of interest policy. Someone might interpret the gift as a bribe to get special treatment.

***Outside Work or Business Activities***

Employees may not engage in any outside work or business activity:

- (a) that conflict with their duties as city employees;
- (b) which use their knowledge of confidential plans, projects or information about holdings of the corporation;
- and
- (c) that will, or is likely to, negatively influence or affect them in carrying out their duties as city employees.

*Question:* "I am a buyer in the Purchasing & Materials Management Division and a friend who is bidding on a city contract has asked me to coach him on the preparation of his bid. Am I permitted to assist him?"

*Answer:* No, you cannot assist him even if you are not directly

involved in the assessment of the contract on which he is bidding. Your knowledge of city contracts could lead to the perception that your friend would have an advantage over other bidders.

*Question:* "I am a paramedic and I have been asked by an accredited institution to teach a course on CPR. I will be paid a fee for this course. Am I permitted to teach the course?"

*Answer:* Yes, as long as you are not teaching individuals that you would normally be teaching as part of your job and do not wear a city uniform when teaching the course.

*Question:* "I am a licensing enforcement officer and I own an adult entertainment establishment. Is this a conflict of interest? What should I do?"

*Answer:* This may well be a conflict. You must disclose this involvement in writing to your executive director, general manager or division head.

### ***Using City Property***

Employees may not use, or permit the use of, items of city property, facilities, equipment, supplies or other resources for activities not associated with their work. Any exceptions to this must be expressly approved by either Council or the Deputy City Manager of the affected division.

*Question:* "Sometimes I'm allowed to take one of my division's pick-up trucks home overnight so I can go directly to my work site in the morning. Would it be all right for me to use the truck to help a friend move to a new apartment?"

*Answer:* No, it would not be acceptable to use a city vehicle for that kind of thing.

*Question:* "I do a lot of charity and volunteer work. Can I use my position and access to city property to assist those charities in their fund raising or other activities?"

*Answer:* No. Your volunteer work is important to the community and while the city supports volunteerism, use of city property is not appropriate.

### ***Confidential Information***

Employees may not disclose confidential or privileged information about the property, or affairs of the organization, or use confidential information to advance personal or others' interests. Employees cannot divulge confidential or privileged information about the city's employees without those employees' written authorization.

*Question:* "In my work I sometimes learn confidential information about prices the city intends to offer for property purchases. I assume it would be wrong for me to share that information with a friend who works for a development company that sometimes

competes with the city to buy sites. Am I correct?"

*Answer:* Yes, you are right. That would be a conflict of interest.

**Note on confidential information:** The rule against giving out confidential information does not apply to an employee who alleges wrongdoing on the part of the city or its Council members, officers, employees, agents or contractors - as long as the disclosure of such information is not frivolous, vexatious or slanderous - and making the disclosure serves the public interest and is made in accordance with the provisions of this policy. This reporting of wrongdoing is known as whistle-blowing.

### ***Financial Interest***

Employees who knowingly have financial interests in a city contract, sale or other business transaction, or have family members, friends or business associates with such interests, must not represent or advise the organization in such transactions.

*Question:* "I own a piece of land in Toronto that the city wants to buy for a new park it is planning. Would that prevent me, a city official, from serving as an advisor to the city on land-assembly for the park?"

*Answer:* That's right. You should declare your conflict of interest and the city would probably assign somebody else to replace you on that particular project.

### ***Guidelines for Management and Professional Staff***

Some positions in the organization are more susceptible than others to conflicts of interest. The following two sections are specifically for managers and employees who give professional advice or assistance, or who work on program policies or budgets, and also refer to employees in confidential positions working with any of those staff.

### ***Representing Others***

Staff described in the paragraph above may not appear before Council or a city committee on behalf of a private citizen other than himself/herself, his/her spouse, his/her parents, or his/her minor children, where the employee is either paid, or is involved in any way in the issue/policy.

*Question:* "I am a management employee and I supervise an outside work crew. Does that prevent me from speaking on behalf of a friend before the Committee of Adjustment?"

*Answer:* You could speak for your friend before the Committee of Adjustment, as long as you are not being paid to do it and as long as the issue before the Committee of Adjustment is not in any way related to your work at the city.

### ***Appointments***

Staff who hold positions described above may not seek or accept appointment to a city committee or board (except in the capacity of a city employee) and require permission from their executive directors/general managers/division heads or designates before

accepting appointments to other municipal, provincial or federal commissions boards and committees.

*Question:* "I work in program and policy development so this section of the policy applies to me. Does that mean I cannot serve as a member of a TV Ontario Advisory Council?"

*Answer:* It means you must have the permission of your executive director/general manager/division head or his/her designate before seeking that office.

Staff who hold positions as board members on community agencies that deal with issues related to their work at the city should inform their executive directors/general managers/division heads or designates of their appointments. When agency issues arise that create potential or actual conflicts of interest, these should be declared by the employee.

*Question:* "I am a professional employee in Social Services and I am on the board of a community agency that delivers service to clients who are on welfare. If the board decides to submit a brief that argues for increased level of service to welfare recipients what role (if any) should I take in this process?"

*Answer:* You should declare a conflict of interest when this issue arises and make it clear that you cannot contribute to the brief or any lobbying that follows.

### **Requirement to Report Conflict of Interest**

If employees or their relatives have a personal or financial interest that might present a conflict or bias in connection with their duties as a city employee, they must report this conflict to their executive directors/general managers/division heads or designates in writing.

*Question:* "My husband works for the XYZ Printing Company. I work for the city and sometimes issue outside printing contracts to bidders that include XYZ. Does that mean I should inform my executive director/general manager/division head or designate about the situation?"

*Answer:* Yes, you should inform your executive director/general manager/division head or designate in writing about your potential conflict in cases where XYZ is bidding.

**Approved by**

City Council (Clause 20, Report No. 16 Administration Committee)

**Date Approved**

August 4, 2000

**Related Information**

[Conflict of Interest Policy](#)  
[Appendix 2 Supplementary Guidelines](#)  
[Appendix 3 Conduct Respecting Lobbyists](#)



**Supplementary  
Guidelines on the  
Conflict of Interest  
policy**

- **Receiving Fees or Gifts (including Attendance at Events)**
- **Reporting Requirements**

**The policy states: “Employees may not accept gifts, money, discounts or favours including a benefit to family members, friends or business associates for doing work that the city pays them to do. The exceptions to this are promotional gifts or those of nominal value e.g., coffee mug or letter opener with the company’s logo or the occasional lunch.”**

**Under the heading: Reporting a Conflict of Interest, the policy states: “When an employee reports a conflict of interest to his/her executive director/general manager/division head or designate in writing, a copy is forwarded to the City Manager.”**

Further to the requirement for employees to report any potential conflict or bias, in connection with their duties, employees are also required to document and report (to their general manager, executive director, division head or the City Manager, as appropriate) any and all situations that involve attending events, receipt of gifts or meals from any vendors or potential vendors or their agents or representatives. The reporting and documentation must include the purpose of the meeting, meal, gift, event etc., and those in attendance.

**1. Gifts**

*a) Process for reporting*

If a city employee receives a gift of more than a nominal or promotional value (e.g., over \$25 in value) he/she shall return it to the sender with a written acknowledgement of the return and reference to the Conflict of Interest policy.

All reasonable attempts shall be made to return the gift; however any gifts that are not returned should be reported to the general manager/executive director/division head. In these limited cases, staff should dispose of this gift for charitable purposes. For example, the division can forward the gift to a local charity or the division shall hold a draw for the gift and forward all proceeds from the draw to the United Way. A letter shall be forwarded to the individual or business that sent the gift advising them a) of the action being taken i.e. return of the gift or donation to charity and b) of the city’s policy with reference to gifts. A copy of this letter shall be kept on file in the general manager/executive

director/division head's files.

A standard template letter is available.

*b) Questions and Answers*

**Question:** I and my colleagues are currently working with an outside consultant who sometimes offers us tickets to sporting events. I don't think it is proper to accept but don't wish to appear impolite.

**Answer:** This practice is common in the private sector but you need to explain to the consultant that offering such favours is inappropriate in our environment and that we have a Conflict of Interest policy that prohibits employees from accepting tickets or other favours. It would also be helpful to give the consultant the Conflict of Interest brochure.

2. *Meals*

*a) Process for reporting*

Employees should be encouraged to conduct the business of the city during business hours in the office. There are circumstances where city employees conduct business over lunch or dinner with colleagues in other organizations. In these circumstances employees should not accept complimentary meals from any person or organization that has a business interest with the City of Toronto and should pay their own expenses and discuss reimbursement with their managers.

*b) Questions and Answers*

**Question:** I am a city lawyer and periodically have lunch with lawyers from private legal firms with whom the city does business. There have been no concerns expressed about this long established practice to date. Are my colleagues and I now being asked to discontinue this practice?

**Answer:** You are not being asked to discontinue any practice that would bear public scrutiny. However, city employees should pay their own lunch expenses to avoid any possible perception of conflict of interest. You should discuss the reimbursement of these expenses with your senior management.

3. *Attendance at events*

*a) Process for reporting*

Employees should not attend cultural, social, charitable, political, recreational, or sporting events at the expense of a person who has a business relationship with the City of Toronto. However, there may be some exceptions in certain circumstances. If a person who has a business relationship with the City of Toronto, invites a city employee

to attend an event and the employee believes it would be beneficial to the City of Toronto, to attend that event, the employee shall submit a written request to his/her general manager/executive director/division head. The general manager/executive director or designate shall decide whether or not attendance would be beneficial for corporate purposes. (For example, it may be appropriate to send representatives from the city to a Board of Trade event or a charitable event.)

If the general manager/executive director or designate determines that attendance would be beneficial for the city and approves attendance on that basis, the city pays for the cost of the ticket or entry fee to this event.

If a company that is doing business with the City of Toronto invites a city employee to an event at the company's expense and a) the company representative who invited the employee is not attending the event or b) it is clear that business will not be carried out at this event, the employee should refuse the invitation with reference to the Conflict of Interest policy.

*b) Questions and Answers*

**Question:** I organize a division's sponsorship of an annual golf tournament for employees in aid of charity. In the past it has been the city's practice to ask companies to sponsor a hole or subsidise food and beverage costs. Each company that donates is invited to send a couple of its employees to the tournament. These tournaments have raised substantial amounts for the United Way. Should we continue to hold these tournaments or are there concerns about conflict of interest?

**Answer:** In the future if a division sponsors a golf tournament, the division and employees who attend must pay the total cost of the tournament. Employees who attend the tournament must do so on their own time. If the division decides that the cost of such tournaments would not meet its objectives i.e. raising money for the United Way, it should discontinue such events.

<b>Approved by</b>	Audit Committee
<b>Date Approved</b>	January 17, 2005
<b>Related Information</b>	<u>Conflict of Interest Policy</u> <u>Appendix 1 Sample Questions &amp; Answers</u> <u>Appendix 3 Conduct Respecting Lobbyists</u>





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Department Letterhead

Address of recipient

Date

Dear (Name of Supplier/Developer/Vendor/Consultant)

Thank you for the (description of gift). It was very thoughtful of you.

However, it

is the City of Toronto's policy not to accept gifts. I appreciate that you may not be

aware of the city's Conflict of Interest policy and I enclose a copy for future reference.

Either:

As your gift cannot be accepted I am returning it with this letter.

Or:

I have donated the (Name of Gift), in your name, to (Name of Charity))

We look forward to a continued business relationship with your organization.

Yours truly,

Executive Director/General Manager

<p>Human Resources Procedures/Guidelines  Appendix 3 Conduct Respecting Lobbyists  Relates to: <b>Conflict of Interest Policy</b>  Category: <b>Working Environment</b></p>	
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**Conduct Respecting Lobbyists**

Lobbying is usually defined as direct or indirect efforts to solicit support and influence government decisions on behalf of another party or an organization, often away from public scrutiny. Lobbying activity is to be distinguished from routine advice seeking by members of the public, or contacts by members or employees of government conducting official business. Lobbying is also distinguishable from matters that are the subject of committee deputation, or other processes that are a matter of public record where individuals are named and their interest and organizational affiliation identified.

*The term lobbyist includes the following:*

(a) "consultant lobbyist" means a person who, for payment, lobbies on behalf of a client and includes, but is not limited to, government relations consultants, lawyers, accountants, or other professional advisors who provide lobbying services for their clients;

(b) "corporate in-house lobbyist" means an employee of a corporation that carries on commercial activities for financial gain and who lobbies as a significant part of their duties;

(c) "organization in-house lobbyist" means an employee of a non-profit organization, when one or more employees lobby public office holders and where the accumulated lobbying activity of all such employees would constitute a significant part of the duties of one employee; and

(d) "volunteer lobbyist" means a person who lobbies without payment on behalf of an individual, corporation, or organization.

Employees shall be vigilant in their duty to serve public interests when faced with lobbying activity. Employees can use the following as a guide to assist in identifying whether they are being lobbied:

(a) During the past year, has the contact person attempted to influence you personally, for example, in any administrative action that would have benefited him or her or his or her employer financially?

(b) Does the contact person do business or seek to do business with the city?

(c) Is the contact person seeking to influence outcomes outside a public forum on a matter involving, for example, a license, permit or other entitlement for use currently pending before the city?

(d) Is the contact person a provincially or federally registered lobbyist employer or a client of a registered lobbyist? (Refer to the respective web sites)

(e) Is the contact person a provincially or federally registered lobbyist or lobbying firm?

(f) Does the contact person fall within the definitions provided above?

**Approved by** City Council (Clause 20, Report No. 16 Administration Committee)

**Date Approved** August 4, 2000

**Related Information** [Conflict of Interest Policy](#)  
[Appendix 1 Sample Questions & Answers](#)  
[Appendix 2 Supplementary Guidelines](#)



