

Chapter 12

**Values and Ethics in the
Federal Public Sector**

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Values and Ethics in the Federal Public Sector

Main Points

12.1 Canadians expect that the federal public sector will be a world leader in promoting sound values and ethics in government. Ensuring sound values and ethics is a vital part of good governance that supports and respects fundamental democratic values.

12.2 A comprehensive and sustained dialogue with Canadians and throughout the federal public sector is required. We propose a framework for action that includes eight priorities. We suggest that action start with the following two priorities.

- Reinforce leadership for promoting ethical conduct by, for example,
 - clarifying the principle of ministerial responsibility and the responsibilities of officials; and
 - identifying the responsibilities of senior and line managers for promoting sound values and ethics.
- Re-invigorate an extensive dialogue on values and ethics that emphasizes the primacy of the principles of respect for the law, the public interest, and public service as a public trust.

12.3 Sound values and ethics are needed to maintain probity. There is a strong foundation of values and ethics in the federal public sector. This foundation should not be taken for granted. The government is taking steps to maintain sound values and ethics. Most of these measures are limited or in their preliminary stages. To increase the likelihood of success, values and ethics initiatives have to be carefully developed, implemented, and monitored by using the best available practices. A prerequisite for success is the leadership of parliamentarians, ministers and senior officials.

12.4 The federal government needs to develop an implementation plan with deadlines to address values and ethics priorities across the public sector and in federal entities. We will continue to monitor and report to Parliament on values and ethics initiatives in the public sector.

Background and other observations

12.5 We focussed on values and ethics initiatives that promote ethical decision making that is in the public interest. These initiatives would form part of a comprehensive approach to good governance in federal entities.

12.6 In May 1995 we reported to Parliament on ethics and fraud awareness in government. In 1996 the government completed *A Strong Foundation: Report of the Task Force on Public Service Values and Ethics* (Tait Report). These reports contributed to forging a consensus on the values and ethics issues that need to be addressed in the federal public service.

12.7 Ensuring ethical decision making is the responsibility of all members of the federal public sector and private sector companies as well as organizations and individuals who receive funds from or do business with the public sector.

12.8 Major changes are occurring in the way government organizes and delivers its programs. These changes include deregulation, downsizing, increasing delegation of decision making to officials in the field, contracting

out and entering into partnerships with the private sector. As well, the government is using new technologies, and its work force is becoming more mobile and diverse. As a result, the government is increasingly relying on a strong foundation of values and ethics to make decisions in the public interest.

12.9 As part of good governance efforts, several departments are implementing major values and ethics initiatives. Others do not assign a high priority to developing comprehensive values and ethics initiatives. We believe that all entities should objectively assess and report on values and ethics.

The responses of the Privy Council Office, the deputy minister co-champions for values and ethics in the public service, the Secretary of the Treasury Board and the Ethics Counsellor are included at the end of this chapter. They agree with our assessment of the initiatives under way and acknowledge that there is an important need for further work.

Introduction

12.10 Probity (or honesty) in government is a traditional concern of auditors general in parliamentary democracies. It is maintained through cost-effective financial and management controls and approaches based on sound values and ethics. This study focusses on values and ethics approaches. Other chapters in this Report look at financial and management controls.

12.11 Sound values and ethics are needed to maintain probity. The federal government is taking steps to maintain sound values and ethics in the public sector. To increase the likelihood of success, values and ethics initiatives have to be carefully developed, implemented, and monitored by using the best available practices.

12.12 There is a growing body of experience on how best to promote values and ethics in government. For example, major companies and certain government departments have initiated significant ethics programs. These programs recognize that it is unrealistic to expect that, by themselves, values and ethics initiatives will ensure probity. A considered balance of reliance on financial and management controls and on values and ethics approaches is required. Exhibit 12.1 illustrates the main elements of these controls and approaches.

12.13 Over time, changes in government have made it clear that ensuring probity will increasingly rest on a strong foundation of values and ethics. The 1984 report by Michael Starr and Mitchell Sharp, *Ethical Conduct in the Public Sector* (Starr-Sharp Report), was one of the first major studies of values and ethics in Canada.

12.14 The increased emphasis on values and ethics reflects changes in government structure and approach — in particular, the focus on deregulation and the

reduction of management supervision and the corresponding emphasis on the empowerment of employees, changes in public service values, the growing number of alternative service delivery agencies, the increasing partnerships with the private sector, the privatization of certain government services, and greater public scrutiny of government programs. The situation will become more complex in the near future as new employees from diverse backgrounds are hired to replace many retiring public servants, as employees enter and leave the public service more frequently, and as government organizations adopt new technologies.

Ensuring probity will increasingly rest on a strong foundation of values and ethics.

Financial and management controls
<ul style="list-style-type: none"> • Control frameworks for <ul style="list-style-type: none"> ▪ risk management ▪ financial management ▪ physical resource management ▪ human resource management • Information to <ul style="list-style-type: none"> ▪ manage operations ▪ support decision making ▪ demonstrate accountability

Values and ethics approaches
<ul style="list-style-type: none"> • Political and senior management leadership that promotes ethical conduct • Clear statements of values and ethics or codes of conduct • Approaches to decision making that <ul style="list-style-type: none"> ▪ require consideration of values and ethics ▪ align management policies to support ethical conduct ▪ offer recourses to report ethical concerns • Clear guidance for interaction between the public and private sectors • Assessment of and reporting on effectiveness of values and ethics initiatives

Exhibit 12.1

Elements of Controls and Ethics Approaches to Maintain Probity in Government

Source: Office of the Auditor General, *Financial Management Capability Model*, 1999

Source: Organization for Economic Co-operation and Development, *Principles for Managing Ethics in the Public Service*

Values and ethics initiatives are not sustainable without leadership at the highest levels and a commitment to act.

12.15 Increasing discretion and the complexity of program objectives also mean that public servants are being asked more frequently to balance several justifiable or equally valued courses of action. In Chapter 1 of our May 1995 Report, we presented to Parliament a study, *Ethics and Fraud Awareness in Government*. We reported the results of a survey of a random sample of public servants on ethical issues. We suggested a framework for ethics in government, consisting of a statement of principles, leadership, empowerment of public servants, transparent decision making, ethics-related training, a mechanism for discussing and reporting ethical concerns, and a continuous process that makes ethics a conscious and visible part of day-to-day decision making (see Appendix A). Subsequent reports have recommended frameworks similar to our own.

12.16 Since our Report, there have been significant values and ethics initiatives in the federal government. The first major event was the publication in December 1996 of *A Strong Foundation: Report of the Task Force on Public Service Values and Ethics* (Tait Report). As chair of the task force, John Tait, a distinguished senior public servant, emphasized the need for an ongoing robust dialogue on values and ethics — an encouraging development.

12.17 The Canadian Centre for Management Development (CCMD) reissued the Tait Report in January 2000 to help reinvigorate the dialogue. Since its publication, the report has become the key instrument for promoting values and ethics in the federal government. Mr. Tait supported our Office's undertaking a second study, and many of the conclusions of his report were the starting points for our study.

12.18 A second major event was when the Organization for Economic Co-operation and Development (OECD)

published in April 1998 its set of Principles for managing ethics in the Public Service. Canada, along with the other member countries of the OECD, has subscribed to these principles. We interpret the phrase "managing ethics" to mean managing ethically by promoting respect for and discussion of values and ethics that are inherent in democratic institutions and society. Because the principles represent a wide consensus, we used them as benchmarks for our study.

12.19 The major works on values and ethics have a common theme: The promotion of values and ethics is an essential part of a good governance framework that needs to be continually and systematically addressed to help ensure probity and the long-term viability of federal entities.

Focus of the study

12.20 Our objective is to stimulate sustained and transparent discussion and action on values and ethics by Canadians and members of the federal public sector. In this study, we focus on values and ethics initiatives that promote ethical decision making as part of a comprehensive approach to good governance in federal entities. Our observations integrate the OECD principles, the recommendations of major federal public sector reports, and the better values and ethics practices in government and the private sector.

12.21 Values and ethics initiatives are not sustainable without leadership at the highest levels and a commitment to act. Thus, one of our primary concerns was the leadership responsibilities of parliamentarians, ministers, and heads and managers of federal entities.

12.22 Because most of the federal public sector initiatives were in their early stages of development, we did not conduct an in-depth assessment of their implementation or their effectiveness in changing attitudes and behaviour.

12.23 More details about our study’s objective, scope, approach and criteria are at the end of this chapter.

Observations

Values and Ethics Assessments

The Tait Report

12.24 The Tait Report was a major step forward in forging a consensus on the values and ethics issues that need to be addressed in the federal public service. It is the most recent comprehensive assessment of the state of values and ethics in the public service. The report focussed on values and ethics that are fundamental to the sound functioning of the public service. It reaffirmed the primacy of law and the public interest as essential pillars of public administration. It proposed the adoption of an “ethics regime” similar to the framework we presented in our May 1995 Report.

12.25 The Tait Report recommended major initiatives to promote values and ethics (see Exhibit 12.2). Among its key recommendations were initiating a wide-ranging and honest dialogue on values and ethics within and outside the government, adopting a statement of principles for the public service, establishing recourse mechanisms for expressing ethical concerns, and developing comprehensive ethics regimes government-wide and in individual public service organizations.

12.26 The Treasury Board and The Leadership Network have recently assessed the work undertaken to address these recommendations. (The Leadership Network’s role is to promote, develop and support networks of leaders in the public service.) The assessments indicate that most of the work is in its preliminary stages. In January 2000 the Treasury Board Secretariat informed deputy ministers that most public servants have not heard of the Tait Report and have not participated in or are not aware of discussions related to the report.

Most of the work to address the recommendations of the Tait Report is in its preliminary stages.

- Initiate a wide-ranging and honest dialogue on values and ethics.
- Re-focus the character of public service as a public trust.
- Adopt a statement of principles for the public service.
- Adopt comprehensive ethics regimes government-wide and in public service organizations.
- Clarify for both the political and public service levels the principles of responsible government, the concept of ministerial responsibility and the role the public service is expected to play.
- Acknowledge the confusion, tension and conflicts between “traditional” and “new” public service values, and establish an appropriate balance between these values, giving primacy to the public interest and respect for law.
- Reaffirm that speaking truth to power is a public service value.
- Establish suitable recourse mechanisms for public servants who may feel that they are under pressure or have been asked to perform actions that are unethical or contrary to public service values and to the public interest.
- Align systems, policies, and processes to ensure that they support a sound public service culture and values.
- Hold deputy ministers and managers accountable for leading by example and ensuring that core public service values are understood and respected.
- Establish an independent body for non-partisan appointments so that patronage appointments do not threaten the integrity of the public service.

Exhibit 12.2

Major Values and Ethics Initiatives Recommended in the Tait Report

Source: Tait Report

Furthermore, public servants continue to believe that senior managers do not lead by example.

12.27 In its spring 2000 review of the dialogue initiative, The Leadership Network reported that values and ethics are recognized as challenging subjects, but that departments may not have the capacity to lead and sustain the dialogue. As well, there is an absence of a formal accountability process and a lack of follow-up to gauge the success of values and ethics initiatives. The review also concluded that there is strong support in departments for the following:

- evaluating ethical performance as a basis for appointments and promotions;
- encouraging ethics education and training; and
- deliberately raising ethical considerations at meetings.

Consultations with middle managers

12.28 There are about 30,000 middle managers in the public service. From March to June 1998 the Learning Advisory Panel for Middle Managers consulted them on the major challenges and opportunities facing the public service. The panel's 1998 publication, *The View From Here*, contains the results of the consultations. On values and ethics, it reports that there is "continuing cynicism, embitterment and lack of trust." It recommends the following:

- a professional code of conduct for middle managers within an accountability framework;
- a regional ethics counsellor; and
- a clear and concise statement of federal public service values and ethics or code of conduct.

Treasury Board's survey of public servants

12.29 The Treasury Board's 1999 survey of public servants also indicates that there are vulnerabilities in the area of values and ethics. Exhibit 12.3 presents some results that are relevant to our study.

12.30 According to the results, most public servants are treated by their colleagues with respect, and the work units operate in an open and honest manner. However, we are concerned that a significant number of public servants strongly or mostly agree that they cannot explain to others the vision, values or mission of their department or agency, that they do not have a fair chance of getting promoted, that they cannot disagree with their immediate supervisor without reprisal or that senior management will not try to resolve concerns raised in the survey.

Assessment of comptrollership capacity

12.31 As part of a pilot program, the Treasury Board's April 2000 assessment of comptrollership capacity in five departments indicates that overall they had ethics statements and communicated written policies across their organizations. However, departments applied their policies inconsistently.

Most Initiatives Promoting Values and Ethics Are in Their Early Stages

12.32 Clearly, the ambitious initiatives recommended by the Tait Report have yet to be realized. As well, the most recent assessments of the values and ethics challenges in the public service show that there is much work to do. There also is significant concern for ensuring a strong foundation of values and ethics at the federal level. Measures have already been taken and, although they are in their preliminary stages of development and implementation, additional initiatives are under way. Moreover, key public service

leaders such as the Clerk of the Privy Council and the deputy minister co-champions for values and ethics are aware of the need for action. They have initiated significant efforts to re-invigorate discussion and action across government.

12.33 Prior to our May 1995 Report, the federal government had taken several significant initiatives to promote sound values and ethics. Post-employment and conflict-of-interest guidelines for ministers and those appointed by the

Governor in Council (GIC) had been put in place; similar guidelines had been established for public servants. The role of the Assistant Deputy Registrar General had been expanded into the position of Ethics Counsellor, who reports to the Prime Minister. The Ethics Counsellor provides advice to ministers and GIC appointees and receives disclosure-of-asset statements from them. He does not provide advice to staff in departments and agencies. The Ethics Counsellor is also responsible for a registry of lobbyists.

Exhibit 12.3

Results on Values and Ethics in the Treasury Board's 1999 Survey of Public Servants
(percentage)

Statement	Strongly agree	Mostly agree	Mostly disagree	Strongly disagree	Don't know/ Not applicable
I can clearly explain to others the direction (e.g., vision, values or mission) of my department/agency.	17	47	20	10	5
I feel I can disagree with my immediate supervisor on work-related issues without fear of reprisal.	26	48	12	8	5
In my work unit my colleagues treat me with respect.	42	52	4	1	1
In my work unit we operate in an open and honest way.	30	51	13	4	1
In my work unit every individual, regardless of his or her race, colour, gender or disability, would be/is accepted as an equal member of the team.	51	36	6	4	3
I believe I have a fair chance of getting a promotion given my skills and experience.	10	33	24	23	9
In my work unit the process of selecting a person for a position is done fairly.	17	43	18	12	9
I believe that senior management will try to resolve concerns raised in this survey.	7	30	28	23	11

Note: The Treasury Board states that due to rounding, percentages may not add to 100.

Source: Treasury Board Secretariat

Since our May 1995 Report, there have been further major values and ethics initiatives.

12.34 Since our May 1995 Report, there have been further major values and ethics initiatives (see Appendix B).

Interdepartmental initiatives

12.35 The government has created independent panels and deputy minister committees to address wide-ranging concerns in specific functional areas and sectors: comptrollership across government and the effective use of science and technology in government. The Public Service Commission of Canada also leads a staffing reform initiative. The reports of the panels, the committees, and the Commission cover a broad range of issues. Most of the efforts to address the values and ethics issues raised in the reports are in their preliminary stages.

12.36 Comptrollership. The Independent Review Panel on Modernization of Comptrollership in the Government of Canada presented a report in October 1997. It concluded that among the prerequisites for sound management was a common base of accepted, understood and practised values and ethics to guide and permit more independent decision making. Using the panel's criteria, the Treasury Board Secretariat asked five departments to initiate, as a pilot program, a self-assessment of capabilities, including the extent to which ethical practices and values are in place.

12.37 Science and technology. The public's confidence in government use of science and technology to protect the economy and health and safety of citizens has been shaken by recent crises, such as the diminishing Atlantic and Pacific fish stocks and the threatened safety of our blood supply.

12.38 In response, the federal government has sought to establish mechanisms to ensure that it considers sound scientific advice in forming policy and regulations. To achieve this end

requires the resolution of conflicts between the values of the science and technology community, the policy formulation process and the responsibilities of the political level.

12.39 In 1996 the government published *Science and Technology for the New Century: A Federal Strategy*, in which it called for science-based departments and agencies to establish external advisory bodies. In March 1999 the major science departments issued a statement of best practices for the conduct and use of science and technology in government. The statement included scientific and public service values such as integrity, objectivity, transparency, professionalism, respect for people, excellence and accountability.

12.40 The government broadened the initiative to include consultation across the country. In May 1999 the Council of Science and Technology Advisors presented a report, *Science Advice for Government Effectiveness*. In June 2000 the government published *A Framework for Science and Technology Advice*. Among the key values that motivate the reports are the following:

- inclusiveness to ensure that advice is drawn from a variety of scientific sources and from experts in many disciplines; and
- openness to ensure that governments employ science in decision-making processes that are transparent and open to stakeholders.

12.41 Values-Based Merit Framework. In 1990 the federal government assessed public service staffing in *Public Service 2000: Report of the Task Force on Staffing*. The Public Service Commission looked at this issue in its 1996 Consultative Review of Staffing. These reports recommended that the staffing system focus more on judgment, values and ethics and less on prescriptive controls and rules. To implement this recommendation, the

Public Service Commission has launched a Staffing Reform initiative. According to the Commission, most staffing responsibilities have now been delegated to managers, and departments are expected to create customized approaches to staffing and accountability. The Commission told us that the potential results of delegation have not been fully realized because there has been no values-based framework to guide managers in the exercise of their new powers.

12.42 The Commission is implementing a Values-Based Merit Framework to support managers. The focus of the framework is the achievement of an ethical balance of key merit values and management principles. The Commission is providing training to managers. It is also establishing new accountability agreements with departments that include values-based performance indicators, such as surveys of client satisfaction, for hiring competent staff in a fair, equitable and transparent manner.

12.43 Clerk of the Privy Council and the appointment of co-champions. In response to this chapter, the Clerk of the Privy Council stated that he has “embraced quite vigorously” the “responsibility for ensuring [that] the values and ethics agenda moves forward.” In May 1999 he appointed two deputy minister co-champions to lead the values and ethics agenda. The Privy Council Office (PCO) told us that the appointments do “not preclude the Clerk/PCO from playing a role; however, the responsibility is envisaged as one of support and challenge.” The co-champions have focussed on re-activating the values and ethics dialogue and encouraging all deputy ministers to develop ethics initiatives.

12.44 Office of Values and Ethics. In April 1999 the Treasury Board Secretariat established the Office of Values and Ethics. The primary role of the Office is to

support the deputy minister co-champions for values and ethics. It is sponsoring the development of training materials, organizing workshops to share best practices, developing case studies, and providing guidance on ethics programs to departments. The Office is also reviewing the Conflict of Interest and Post-Employment Code for the Public Service. Most of this work is in its preliminary stages.

12.45 The Office does not have a mandate to act as an ethics counsellor to public servants or receive or investigate complaints. However, on occasion it is hearing from them and providing advice or taking informal action.

12.46 Secretary of the Treasury Board. In August 1999 the Secretary of the Treasury Board wrote to deputy ministers to clarify the policy and legal framework for public servants regarding the acceptance of gifts, hospitality and other benefits. The Secretary noted that as the government’s way of doing business is changing, public servants are increasingly being offered benefits of considerable value. They have indicated that existing codes and guidelines relating to questions of ethical behaviour are vague, and it is not clear to whom they should turn for guidance.

12.47 The Secretary emphasized that public servants must understand the legal and policy framework for conflict of interest and its profound legal and professional consequences. He stressed that procedures need to be established to ensure compliance with the requirements of the *Criminal Code* and the Conflict of Interest and Post-Employment Code for the Public Service.

12.48 The Canadian Centre for Management Development. The CCMD contributes to the promotion of values and ethics through its learning activities for public service managers. In February 2000 it established a series of “armchair discussions” on values and ethics, chaired by the co-champions. Values and ethics

The deputy minister co-champions for values and ethics in the public service have focussed on re-activating the values and ethics dialogue.

Departments and their branches are the key organizations for promoting and maintaining sound values and ethics.

are also key elements of the CCMD's leadership and management courses, which are not mandatory.

Major departmental values and ethics initiatives

12.49 Departments and their branches are the key organizations for promoting and maintaining sound values and ethics. The growing experience with values and ethics initiatives indicates that in a general framework for the public sector, federal entities need to develop initiatives that meet their specific needs.

12.50 For example, National Defence, Public Works and Government Services Canada (PWGSC), and the Royal Canadian Mounted Police (RCMP) have undertaken major initiatives to promote sound values. These initiatives respond to particular circumstances, and they illustrate the variety of challenges and approaches. The values and ethics initiatives in these organizations are sophisticated programs with high expectations, which incorporate and even develop best practices of formal ethics programs. Exhibit 12.4 lists the key elements of these programs.

12.51 National Defence. The Department's values and ethics initiative began from a need to protect resources and later to respond to crises with significant ethical dimensions. The effort has become more comprehensive as the Department and the Canadian Forces have recognized that they are dealing with evermore complex, difficult, and increasingly conflicting and ambiguous operational tasks. In particular, small contingents are being assigned to missions in remote, relatively isolated areas containing populations with a long history of hostilities. In these areas, they are expected to carry out simultaneously military, quasi-police, and peacekeeping functions. These assignments represent a major shift from placing large battle units in the field to fight wars with relatively clear moral rationales and goals.

12.52 Royal Canadian Mounted Police. The RCMP's initiative stems from the major change to community policing in 1989. Community policing requires consideration of community expectations, the development of partnerships with community groups, and the provision of tailored services, where possible, to meet the unique needs of each community.

Exhibit 12.4

Ethics Components of Major Departmental Initiatives

- Leadership activity and participation.
- Extensive dialogue on values and ethics dilemmas in the workplace.
- Grassroots development of values and ethics codes.
- Communication, training and awareness.
- Prompt resolution of ethical concerns.
- Alignment of policies to reinforce ethical decision making.
- Adoption of an ethical decision-making model.
- Recourse options to seek guidance on and report ethical concerns.
- Assessment of cultural change through surveys or focus groups.
- Establishment of a small office for the promotion of ethics.

12.53 It also requires a change from a traditional "command and control" organizational and management structure with only one way to do things, "the RCMP way," to one where officers are expected to approach problems by taking into account key problem-solving factors and corporate values and ethics. To implement the approach, the RCMP has appointed an Ethics Advisor. It also has sought to provide a clear rationale, guidance and training, supplemented with a clear statement of departmental commitments to its employees and to the communities it serves. In addition, the RCMP has undertaken a major initiative to align all its policies and procedures with its mission, vision, and values statement.

Source: PWGSC, RCMP, National Defence

12.54 Public Works and Government Services Canada. In the fall of 1997 at a meeting of 250 senior departmental executives, the Deputy Minister stated that ethics were part of good governance in the Department. PWGSC has since appointed an ethics counsellor, established a director of an ethics development office, and developed an ethics program framework; the Deputy Minister has distributed terms of reference for the program to each senior manager. Currently, PWGSC is pursuing a major initiative to raise awareness of values and ethics issues through discussion and to support senior management in fulfilling its responsibilities for sustaining values and ethics.

12.55 Citizenship and Immigration Canada (CIC). The Department has adopted a step-by-step initiative led by the deputy minister that focusses on the day-to-day promotion of values and ethics. In 1997 it undertook a major consultation initiative with its staff on workplace values and ethics dilemmas and ways of resolving them. The consultations resulted in a resource document, *The Ethical Compass: Values and Ethics Dilemmas at CIC*.

12.56 The Department has recently approved a framework for middle management training that identifies values as a key area. It has also appointed an ombudsman and a new values and ethics champion. The CIC Ombudsman counsels employees on how to resolve problems, and as a member of the management board, acts as the “conscience of the Department.” The Ombudsman reports on general issues to the Deputy Minister, who has made a commitment to act on systemic issues.

12.57 Other departments. Human Resources Development Canada (HRDC) has recently begun an extensive dialogue with all staff on values and ethics. The Department has released the *Handbook on Values and Ethics in HRDC*. All the other

departments we reviewed have taken some steps to address values and ethics concerns. For example, all the departments have a vision, mission or values statement. However, most departments have not assigned a high priority to developing comprehensive values and ethics initiatives.

Major Values and Ethics Challenges

12.58 In our view, a comprehensive effort is needed to ensure that the federal public sector meets emerging values and ethics challenges. To further discussion and action, we have identified specific areas that need to be considered as part of a comprehensive framework of priorities for action. These areas include reinforcing responsibility and leadership for ethical conduct, developing shared values and ethics, and establishing avenues for voicing concerns about values and ethics.

Reinforcing responsibility for ethical conduct

12.59 Sustaining and promoting values and ethics in the federal public sector is the responsibility of all its key institutions and members. It requires a comprehensive approach that involves the leadership and strong commitment of parliamentarians, ministers, and heads of federal entities. It also relies on the development of appropriate values and ethics initiatives in federal entities and in the interaction between the public and private sectors.

Leadership of parliamentarians

12.60 Michael Starr and Mitchell Sharp published a report in 1984, *Ethical Conduct in the Public Sector*. In it they asked parliamentarians to set an example because they are prominently in the public eye, and their actions, values, and ethical conduct send a signal as to the norms of acceptable behaviour.

12.61 The OECD’s *Principles for Managing Ethics in the Public Service* call

A comprehensive effort is needed to ensure that the federal public sector meets emerging values and ethics challenges.

for political and senior official commitment to ethics that reinforces ethical conduct (see Exhibit 12.5).

12.62 Provisions dealing with particular aspects of the conduct of parliamentarians are in various statutes and documents. Relevant sections of the *Criminal Code* cover bribery of officials, fraud against the government, and breach of trust. The *Parliament of Canada Act* contains provisions that govern contracts with the government, the financial interests of senators, and the ineligibility of members of the House of Commons to benefit from government contracts.

12.63 Various attempts have been made, without success, to establish a code of conduct for parliamentarians. In July 1973 the government issued a green paper, *Members of Parliament and Conflict of Interest*, that proposed a code of conduct for parliamentarians as a first step in implementing a comprehensive policy for officials at all levels of government.

12.64 In June 1992 the Special Joint Committee of the Senate and the House of Commons on Conflict of Interests recommended the adoption of clear rules to guide members of Parliament. In March 1993 the Prime Minister introduced legislation on conflict of interest for parliamentarians. Another committee that reviewed the proposed legislation recommended that it not be pursued. In March 1997 a third special joint committee recommended ethical principles and a code of conduct (see Appendix C). This recommendation reflected the committee's concern about

the erosion of the public's respect for Parliament as an institution; Parliament did not adopt it.

12.65 The legislatures of all provinces and territories have adopted conflict-of-interest legislation or codes of conduct that include a requirement for disclosure of assets to an independent commissioner or to the clerk of the legislature. Similarly, national legislatures of similar jurisdictions (such as the United States, the United Kingdom, and Australia) have adopted legislation or standing orders that guide official conduct and require members to disclose assets.

12.66 Given the significance of the need for ethical leadership, we suggest that parliamentarians consider their role once again as part of a comprehensive initiative for the public sector.

Leadership of ministers

12.67 The Prime Minister, other ministers, and the heads of federal entities set the tone for the entire government. In our 1995 Report we indicated that the Conflict of Interest and Post-Employment Code for Public Office Holders, which applies to ministers and Governor-in-Council appointees, was satisfactory. However, explanatory guidelines and illustrative cases are still needed. This information would help parties covered by the Code as well as Canadians to fully understand its application.

12.68 Ministerial responsibility. One area that may require further attention is the clarification of the concept of ministerial responsibility. The Tait Report

Exhibit 12.5

Responsibilities of Political Leaders

Source: OECD, *Principles for Managing Ethics in the Public Service*

Principle: Political commitment to ethics should reinforce the ethical conduct of public servants.

Actions

- Maintain a high standard of propriety in the discharge of official duties.
- Create legislative and institutional arrangements that reinforce ethical behaviour.
- Create sanctions against wrongdoing.
- Provide adequate support and resources for ethics-related activities throughout government.
- Avoid exploitation of ethics rules and laws for political purposes.

noted that the concept touches on the “deepest values of public service in a parliamentary democracy” and that if these values are shifting, then “much else is in doubt.” It identified concerns among public servants that the concept is unclear, outdated or “just unreal,” or “meaningless.” The report concluded that because of the evolving nature of parliamentary government and the continuing confusion, it would be useful to develop a clear statement of ministerial responsibility for ministers, public servants and the public.

12.69 Previous government reviews of ministerial responsibility have reached contrary conclusions. For example, the 1962 Royal Commission on Government Organization (Glassco Commission) and the 1979 Royal Commission on Financial Management and Accountability (Lambert Commission) recommended that to reflect reality, deputy ministers should be accountable to Parliament for their administrative responsibilities.

12.70 The Lambert Commission made the recommendation because it had found that “a serious malaise pervading management of government stems fundamentally from a grave weakening, and in some cases an almost total breakdown, in the chain of accountability of government to Parliament and ultimately to the Canadian people.”

12.71 In 1991 the Standing Committee on External Affairs and International Trade reviewed the admission of a foreign government official to Canada. The committee concluded that ministerial responsibility should be clarified, and it recommended the immediate appointment of a high-level task force to define the concept.

12.72 Different conclusions can be found in reports from the Privy Council Office that discuss the concept of ministerial responsibility. These reports include the 1979 Privy Council Office

submission to the Lambert Commission; the 1990 white paper, *Public Service 2000: The Renewal of the Public Service of Canada*; the 1992 report, *Public Service 2000: A Report on Progress*; and the 1993 publication, *Responsibility in the Constitution*. They argue that the concept is clear — accountability should not be divided because it governs the use of power; thus, “it requires that a minister be *personally* answerable to the House of Commons for the exercise of power.”

12.73 Concerns about the clarity of the concept of ministerial responsibility and its consequences are recurrent, and they go to the fundamental nature of responsibility for actions in government. Therefore, we agree with the Tait Report that clarifying the responsibility of ministers is essential for promoting sound values and ethics in government. We would extend this clarification to the responsibility of officials who receive delegated authorities.

12.74 A starting point for discussion could be for the Privy Council Office to explain the concept of ministerial responsibility so that public servants and the public can better understand the responsibility that exists and how it is respected. Additional starting points for the discussion could be the United Kingdom’s *Ministerial Code: A Code of Conduct and Guidance on Procedures for Ministers* and Australia’s *Guide on Key Elements of Ministerial Responsibilities*.

Leadership in federal entities

12.75 Maintaining sound values and ethics is part of good governance, and senior and middle officials as well as ministers bear the primary responsibility. The OECD’s principles call for managers to demonstrate and promote ethical conduct and provide consistent leadership (see Exhibit 12.6). The results of ethical leadership include employees who are more satisfied and committed, organizations that can attract and retain

Concerns about the clarity of the concept of ministerial responsibility and its consequences are recurrent.

better employees, and organizations that are trusted and more effective.

12.76 The Clerk of the Privy Council, heads of federal entities, and senior and line managers have a key role in promoting a public service based on values. The Tait Report focussed on the importance of the quality of leadership and the calibre of role models, especially at the most senior levels. The role of management is also emphasized in the Treasury Board's March 2000 publication, *Results for Canadians: A Management Framework for the Government of Canada*. The Board's report states that management in the public service must be guided by a clear set of values. In particular, management must respect and reinforce Canadian institutions of democracy, and it must be guided by the highest professional and ethical standards.

12.77 The Clerk has emphasized that everything that senior managers do is judged by their employees. If senior managers want to lead them effectively, they have to start with promoting values.

12.78 We agree with the Clerk and suggest that his approach be taken one step further to clearly specify that the role and responsibilities of heads of entities and senior and line managers include ensuring sound values and ethics in government. This clarification would reinforce the principle that managers should not transfer their responsibilities for maintaining sound values and ethics to such parties as ethics counsellors or ombudsmen. However, managers will need guidance and training to provide this

leadership. Exhibit 12.7 summarizes key attributes of ethical leadership.

12.79 There is another prerequisite for success of values and ethics initiatives. Employees in the federal public sector have a key role to play in pushing forward the values and ethics agenda and maintaining the highest standards of values and ethics. However, as the Tait Report stated, public servants and managers will need to be given the tools to assume this role.

Developing Shared Values and Ethics

Statement of public service principles

12.80 Statements of values and ethics are clearly important, but by themselves, they do not create honesty. Their main purpose is often perceived to be to hang on a wall and collect dust. However, as part of a comprehensive approach, we believe such statements can play an important role. They can express the core values of an organization and set standards for acceptable conduct. The core values and standards are those that would not be compromised.

12.81 The Tait Task Force envisioned the development, through extensive dialogue, of a set of clearly articulated and widely endorsed values and ethics principles for the public service one year after the release of its report in 1996. Using these principles, organizations would formulate values and ethics statements that address their specific circumstances.

12.82 The deputy minister co-champions for values and ethics and

If senior managers want to lead employees effectively, they have to start with promoting values and ethics and leading by example.

Exhibit 12.6

Responsibilities of Managers

Source: OECD, *Principles for Managing Ethics in the Public Service*

Principle: Managers should demonstrate and promote ethical conduct.

Actions

- Demonstrate high standards of conduct.
- Maintain an organizational environment where high standards of conduct are encouraged.
- Provide incentives for ethical behaviour.
- Provide consistent ethical leadership in professional relationships with political leaders, other public servants and citizens.

the Treasury Board Secretariat have concluded that without an extensive dialogue, the development and implementation of such principles would not be meaningful. This dialogue needs to be transparent and to include discussions with Canadians and specific stakeholders. Without extensive public dialogue, Canadians may be skeptical about the principles and the commitment of leaders to the principles.

12.83 We believe that the federal government needs to set a reasonable time frame for the development of a set of values and ethics principles for the public sector. The United Kingdom’s Seven Principles of Public Life (see Appendix D) and Civil Service Code (see Appendix E) could be starting points for discussion. The seven principles apply to all members of the public sector in the United Kingdom. The Code identifies not only the duties and responsibilities of civil servants to ministers but also those of ministers to civil servants.

12.84 As part of a longer-term effort, we believe that the federal government needs to ensure that senior managers discuss, share, and promote a common set of values and ethics. To this end, the Privy Council Office, the Treasury Board Secretariat, and the Canadian Centre for Management Development need to design mandatory training on core values and ethics for all senior managers. This training could be expanded to include all public service managers. The Secretariat would need to ensure that this training is also given to all public servants.

12.85 As well, the Conflict of Interest and Post-Employment Code for the Public Service still needs to be updated. We also recommended in our May 1995 Report that explanatory guidelines and illustrative cases be developed. In June 2000 the Treasury Board Secretariat published a guide on the application of the Code.

Assigning priority to key values and ethics

12.86 Managers and staff in federal entities may encounter a wide range of values and ethics dilemmas in the workplace. Major departmental values and ethics initiatives include developing hypothetical case studies to stimulate discussion. These cases often present situations that pose difficult personal and organizational choices. Exhibit 12.8 illustrates the scenarios that may be discussed. They are taken from the ethics courses of various departments. Participants in the discussion are expected to take a position after identifying the values and ethics at play in the scenario, the risks that exist, and the process that could be used to resolve the situation.

12.87 We are concerned that the discussion of the scenarios may not include clear guidance on the priority to be assigned to the wide range of values and ethics that may apply. The Tait Report identified 45 different values grouped into five overlapping categories of core public service values: democratic values, ethical values, “traditional” professional values, “new” professional values, and people

- **Create a supportive work environment that**
 - values people, treating them with dignity, civility and fairness;
 - emphasizes openness and the sharing of information;
 - promotes honest and collegial leadership;
 - encourages and supports speaking truth to power; and
 - supports a balanced family and work life.
- **Make decisions that**
 - serve the public interest;
 - respect democratic principles and the rule of law;
 - ensure due process, impartiality and objectivity;
 - provide effective services to citizens; and
 - promote transparency, probity and accountability.

Exhibit 12.7
Key Attributes of Ethical Leadership in the Public Sector

Source: Tait Report

“New” values could be at odds with some of the fundamental requirements of democratic government.

values (see Exhibit 12.9). The report assigned primacy to the values of respect for law and the public interest. However, it did not provide guidance on how to resolve conflicts among competing and overlapping values.

12.88 One of the central concerns of the Tait Task Force was the emphasis being placed on such “new” values as service to clients and customers, as opposed to “traditional” values that focussed on respect for law and accountability. The

task force was also concerned that the growing tendency to use the term “customers” or “clients” could have long-term consequences of establishing a new set of standards and a new universe of values. These values could be at odds with some of the fundamental requirements of democratic government.

12.89 The task force’s report concluded that any approach that treats the public service, or appears to treat it, as if it were the same as private enterprise risks

Exhibit 12.8

Hypothetical Case Studies of Values and Ethics Dilemmas in the Workplace

<p>Box seats. You are invited by a private sector company to join other departmental personnel in a corporate “box” at a local National Hockey League arena for a game in the Stanley Cup playoffs. You reflect that the cost of these boxes may average to about \$100 or more per person in the regular season, but often exceed \$1,000 in the playoffs. What should you do?</p> <p>Request for lenient inspection. You are inspecting the books of a manufacturer that has violated the law. At noon you break for lunch and go to a restaurant. The company manager joins you there and asks you to be lenient regarding the manufacturer’s practices and subtly suggests that he could offer you a very good deal on a computer. At the end of the meal, the manager offers to pay for your lunch. What should you do?</p> <p>Employment offers. You are in a position to recommend and approve giving a contract to a firm that has made overtures to hire you. What should you do?</p> <p>Missing supplies. You are the supply officer for a peacekeeping mission. On the day that a supply arrives, you are asked to sign for a quantity of 100 of a particular item, when only 70 are in the box. Thirty have been skimmed off as the cost of doing business in this particular country. No signature, no delivery. You need the item badly. What should you do?</p> <p>Statement of qualifications. You have to prepare a statement of qualifications for a competition and are under pressure from management to write it narrowly so as to favour a particular candidate or to screen out as many candidates as possible in order to speed up the process. What should you do?</p> <p>Policy advice. A director has prepared a policy statement that you feel contains gross errors and is in some respects dishonest. In spite of staff efforts to correct the mistakes, he continues to push through the policy statement. The easy approach is to keep quiet and implement the new policy; the difficult one is to challenge the accuracy of the document. However, there is no appropriate method to criticize the policy. What should you do?</p> <p>Building upgrades. Government architects and engineers judge that there is a need for upgrading government-owned buildings.</p>	<p>They have identified an opportunity to address the problem during retrofits but were told by financial officers that the funds were not available. They are concerned that the failure to act could make them professionally liable and could embarrass the government should major health problems or injuries occur. What should they do?</p> <p>Insufficient budget. You are on the review board for a major equipment acquisition project. The project manager is suggesting that the project budget is insufficient to get all the requested equipment, unless auxiliary components are removed from the main project package. You know that once the purchase is decided, the department will have no choice but to find additional funding for the auxiliary components. What should you do?</p> <p>Managing immigration risks. Your supervisor instructs you to waive all interviews for immigrant applicants listing occupations as either engineers or systems analysts. He believes that the majority of applicants will be accepted, and selection interviews will be of little value. Past experience has shown you that many cases could be problematic. You are reluctant to advise your supervisor because you know that any challenge to his authority will be reflected in your appraisal. What should you do?</p> <p>Ministerial decisions. In a recent press release, the minister is quoted as saying that a decision will result in significant savings. As a member of the project team, you know this is not quite true. The political interest and involvement in the project was high. To create the savings will require that other projects may have to be delayed or forgone. What should you do?</p> <p>Peacekeeping situations. You are a platoon commander in a country plagued with sectarian violence and power struggles between the government and rebel factions. Your platoon is ordered to a remote area to evacuate Canadian civilian aid workers from a dangerous situation. At the location, you find that there are many other civilians who are at risk. What should you do?</p>
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Source: Ethics courses of PWGSC, National Defence and CIC.

undermining not only the “structure of motivation for public service but, more important, its capacity to serve democratic government in an ethical and accountable manner.”

12.90 The Tait Task Force had anticipated the problems encountered in the regulatory and inspection community. A committee of senior officials raised the issue of conflicting values in its November 1999 report, *A Public Trust: Keeping Canadians Safe and Healthy, A Review of the Federal Government’s Regulatory/Inspection Community: Recruitment, Retention and Management Issues*. The committee noted that client-service values increasingly involve inspectors in educating, persuading, and monitoring industry as well as enforcing regulations. These responsibilities require inspectors to build a relationship of

mutual trust with industry clients and to create a collaborative atmosphere of learning and development. The dual role is considerably more complex and introduces “tensions into the relationship, requiring the inspector to make appropriate choices between the ‘white’ hat (service role) and the ‘black’ hat (enforcer role).”

12.91 According to the committee’s report, the regulatory and inspection community has found it difficult to interpret the meaning, in its operational context, of the “client service” vocabulary prevalent in the government over the past five years. The report concluded that “a key issue to be addressed is the need to shift the vocabulary for this group from the ‘client service’ vocabulary, toward a discussion of ‘Protecting the Public Interest’.”

Democratic values	<ul style="list-style-type: none"> • Responsible government • Rule of law • Support for democracy • Respect for the authority of elected officeholders 	<ul style="list-style-type: none"> • Loyalty • Neutrality/non-partisanship • Accountability • Due process • Public interest/common good
“Traditional” professional values	<ul style="list-style-type: none"> • Neutrality/non-partisanship • Merit • Excellence • Effectiveness • Economy • Frankness 	<ul style="list-style-type: none"> • Objectivity and impartiality in advice • Speaking truth to power • Balancing complexity • Fidelity to the public trust
“New” professional values	<ul style="list-style-type: none"> • Quality • Innovation • Initiative • Creativity 	<ul style="list-style-type: none"> • Resourcefulness • Service to clients/citizens • Horizontality • Teamwork
Ethical values	<ul style="list-style-type: none"> • Integrity • Honesty • Probity • Prudence • Impartiality 	<ul style="list-style-type: none"> • Equity • Selflessness • Discretion • Public trust
People values	<ul style="list-style-type: none"> • Respect • Concern/caring • Civility/courtesy • Tolerance • Openness • Collegiality/participation 	<ul style="list-style-type: none"> • Fairness • Moderation • Decency • Reasonableness • Humanity • Courage

Exhibit 12.9
Categories of Values

Source: Tait Report

It should be made clear that the public service values of respect for law and the public interest are paramount.

12.92 The report noted that “the focus on Client Service has been driven by a wide range of government initiatives and directives, providing a persuasive message to all public servants.” It suggested that “a renewed focus on the public interest could be initiated through the development of a ‘Code of Practice’ applying specifically to the ‘regulatory/inspection function’.”

12.93 The Regulatory Inspection Secretariat at Transport Canada told us that it is currently consulting inspectors from various departments on their role. The Secretariat is also asking them about the potential tools, such as a code of conduct, that would put more emphasis on protecting the public interest.

12.94 Although the emphasis on “new” values raises concerns, it also presents potential benefits. The Tait Task Force suggested that the right balance of “traditional” and “new” values could reduce bureaucratic preoccupation with territory and narrow perspectives and help to recognize citizens and their interests as real and concrete. This balance could create a strong culture of public service.

12.95 In practice, we believe that the “traditional” public service values have always included elements of the “new” values. These types of values do not represent a dichotomy. The crux of the concern is whether the “new” values are being interpreted as having a higher priority than such key “traditional” values as respect for law and the public interest.

12.96 The Tait Task Force recognized that there was confusion, tension, and conflict between “traditional” and “new” values. As a result, it recommended in its report that the dialogue on public service values and ethics be used to explain and provide guidance on finding the right balance of “new” values and “traditional” values. However, like the Tait Task Force, we believe that it should be made clear that the public service values of respect

for law and the public interest are paramount.

Immediate steps to reinforce ethical decision making

12.97 Because a wide-ranging dialogue is required, the development of a set of core principles may take some time. Federal entities can take immediate steps to establish elements of the infrastructure needed to help staff manage and deliver programs ethically. The establishment of this infrastructure would indicate to staff that senior management is taking seriously current values and ethics initiatives.

12.98 The initial step is to acknowledge the difficult value and ethical judgments that may have to be made in delivering programs. Employees who have been told to make judgment calls need to have the necessary guidance and support. Judgment involves consciously asking if decisions and the reasons for the decisions are fair, honest, and reputable and would bear close public scrutiny if the media disclosed them.

12.99 To help make judgments, departments could adopt a decision-making model to help managers and staff manage ethically (such a model is already part of three departmental ethics initiatives that we reviewed). They also could establish program support centres, which would offer objective guidance to staff and complement the role of superiors. As well, they could use their risk management programs to assist staff in predicting and planning for difficult situations. For example, the management of the Real Property Service of PWGSC has focussed on developing a support centre and risk management techniques. Without them, it believes that asking staff to take risks and apply ethical values “will be seen cynically as an attempt by management to download its responsibilities on staff.”

Guidance for interaction between the public and private sectors

12.100 A shared set of values is a necessary condition for a successful business relationship. In our May 1995 Report, we concluded that “the government needs to forthrightly communicate its core set of ethical standards to groups and individuals dealing with government with a clear indication that it expects these standards to be respected.” As well, the OECD’s principles call for “clear guidelines for interaction between the public and private sectors.” A prerequisite for dealing with this issue is the development of a clear set of values and ethics government-wide and in relevant federal entities.

12.101 Major steps have been taken to address this issue for lobbyists. In September 1988 the *Lobbyists Registration Act* was promulgated. In March 1997 the Ethics Counsellor, by regulation, established the Lobbyists’ Code of Conduct to provide greater assurance to Canadians of the integrity, objectivity, and impartiality of government decision making.

12.102 In the relationship between the public and private sectors, including voluntary agencies, billions of dollars are spent on contracts as well as grants and contributions in Canada and abroad. However, the relationship has become increasingly complex as the government establishes alternative service delivery entities, which operate in a manner similar to companies, and as it creates partnerships with the private sector to pursue the public interest. In addition, the government has privatized certain public functions that still serve public purposes.

12.103 While the public and private sectors share many values, they differ in key respects. For example, personal financial interests in the private sector are often tied to the interests of the corporation through benefits such as share options, and political neutrality is not

required. Also, with consent, personal information about customers may be shared to reduce financial risks. In the public sector, employees are expected to act in the public interest and remain politically neutral. They are also obligated to protect the privacy of personal and corporate information provided to the government.

12.104 We found that the private sector is aware of the need to establish guidelines to govern the interaction between itself and the public sector. Some major companies have such guidelines.

12.105 The Australian Department of Defence has published a code of conduct setting out a framework for relationships between itself and industry. The code contains 17 principles, some of which require honesty and integrity, action with care and diligence, and accountability for decisions and actions. According to the Department, it “expects that its tenderers, contractors, suppliers and their employees and subcontractors will all be guided by this Code of Conduct.” If departmental or industry employees believe that a breach of law or of ethical behaviour has occurred, they can report their concerns to the Department’s Inspector-General, who will investigate in confidence.

12.106 In our view, there is a need to develop with appropriate stakeholders a set of principles that clarify values and ethics for public servants in alternative service delivery agencies and in partnerships with the private sector. Similarly, there is a need to clarify values and ethics that guide relationships with contractors and recipients of grants and contributions.

12.107 Core principles could be customized and built into contracts and grant and contribution agreements. They could also be made part of legislation that establishes alternative service delivery agencies and privatizes public functions. As well, proactive due diligence is needed prior to signing contracts and agreements. The “ripple” effect of such an effort on

In its Principles for Managing Ethics in the Public Service, the Organization for Economic Co-operation and Development calls for “clear guidelines for interaction between the public and private sectors.”

The Tait Task Force concluded that unless recourse mechanisms were created, many public servants would consider all the talk about values and ethics as “so much hot air.”

maintaining honesty could be considerable. Exhibit 12.10 presents possible elements for guiding interaction between the public and private sectors.

Objective assessment and reporting

12.108 One of the key areas that federal entities will need to examine is how best to report on values and ethics. Entities will need to objectively demonstrate and report to Parliament, as part of good governance, that they have an ethical culture and that their values and ethics initiatives are effective. Such an assessment will also have to present stakeholder and public concerns about program credibility.

Voicing Values and Ethics Concerns

Good-faith intervention

12.109 Good-faith intervention recognizes that it is important for the health of an organization to provide an effective range of options for expressing individual dissent and ethical concerns.

A comprehensive approach to values and ethics comprises recourse options that allow employees to intervene in good faith.

12.110 Public servants have legislative and non-legislative avenues for raising specific concerns. These avenues include communicating matters to specialized agencies such as the Commissioner of Official Languages and the Canadian Human Rights Commission, appealing staffing decisions, and raising issues with supervisors.

12.111 However, public servants told the Tait Task Force that there was no point in asking them to uphold public service values or maintain high ethical standards if they were not given the tools to do so. The task force concluded that unless recourse mechanisms were created, many public servants would consider all the talk about values and ethics as “so much hot air.” Thus, it recommended that a senior independent authority be established to receive reports confidentially and act in a fair and impartial manner.

12.112 The Public Service Alliance of Canada and the Professional Institute of the Public Service of Canada have recommended the adoption of “whistle-blowing” legislation. The Association of Professional Executives of the Public Service of Canada has recommended the establishment of an ombudsman for senior executives.

12.113 Establishing recourse for good-faith intervention is a difficult challenge, but one that needs to be addressed. Our May 1995 Report called for a thorough discussion of the advantages and disadvantages of alternative approaches that allow individuals to intervene in good faith. The OECD reached similar conclusions.

12.114 There is a growing number of precedents that provide insight on how to implement the recommendation of the Tait Report. The ethics initiatives of National Defence, PWGSC and the RCMP seek to

Exhibit 12.10

Possible Set of Principles for Interaction Between the Public and Private Sectors

- Respect the law, contracts and agreements.
- Ensure no conflicts of interest.
- Respect the public service value of acting in the public interest.
- Support common values such as
 - being honest, open and co-operative
 - being equitable and fair
 - standing behind commitments
 - treating people fairly
 - proactively protecting the environment
 - mutually contributing to doing things better.
- Maintain high performance standards such as
 - exceptional quality
 - competitive pricing
 - superior product support
 - on-time delivery
 - continuous improvement
 - procedures that ensure compliance with the law and codes.

Source: Tait Report, PWGSC and Canadian private sector companies

establish recourse mechanisms that protect both the person expressing ethical concerns and any parties against whom allegations may be made.

12.115 New Brunswick has included general protection in its 1988 amendments to the *Employment Standards Act*. In 1998 Nova Scotia adopted a *Whistleblowers Act* that allows employees to disclose information about government wrongdoing to the Province's ombudsman and protects those who do so. The March 1999 *Canadian Environmental Protection Act*, the August 1999 amendments to the federal *Competition Act*, and the April 2000 *Personal Information Protection and Electronic Documents Act* provide authority and protection for employees who report alleged violations of the Acts to designated officials. Since 1980, members of Parliament have introduced several private members' bills to provide similar authority to federal public servants. The most recent proposed legislation is Bill C-239 in the House of Commons and Bill S-13 in the Senate.

12.116 Other national jurisdictions have enacted "whistle-blowing" legislation. The United States passed the *Whistleblower Protection Act* in 1989. Australia amended its public service regulations in 1998 to allow the reporting of breaches of the Australian Public Service Code of Conduct to its Public Service Commissioner, with appropriate protection. In the same year, the United Kingdom passed a detailed *Public Interest Disclosure Act* to provide for disclosures in good faith of a wide range of ethical concerns. These approaches vary in their requirements for raising concerns internally before they can be brought to the attention of an independent party. Thus, the relevance of experience in other jurisdictions needs to be assessed.

12.117 The Privy Council Office believes that "in fact, there is little empirical evidence to suggest that there is a large unaddressed problem, suggesting

that it might be better to establish what, if any, problem may exist before moving forward with new recourse mechanisms."

12.118 However, in our view, there is a consensus that work has to be done in Canada's federal public sector to allow the voicing of ethical issues with appropriate protection for all concerned. We believe that this issue will not go away and it needs to be addressed as part of a comprehensive approach.

Ombudsmen

12.119 Seven federal departments have ombudsmen, but for the most part, their role is to impartially provide employees with informal, confidential support in dealing with difficult work situations. Only the National Defence Ombudsman and the Office of the Correctional Investigator have mandates to investigate complaints.

12.120 Eight provinces (including Ontario, Quebec, Alberta, and British Columbia) and one territory have ombudsmen, who are officers of the legislature. Their role is to promote fairness and administrative accountability through the investigation of complaints about abuses resulting from acts or omissions of government organizations. The United Kingdom, Australia, and New Zealand also have created offices of legislative ombudsmen to investigate complaints about administrative actions of government.

12.121 Canada does not have a federal ombudsman. However, a committee of deputy ministers recommended the establishment of this position to the Prime Minister in July 1997. In June 1999 the Canadian Ombudsman Association called for the creation of a federal ombudsman so that Canadians would "be able to exercise their democratic right to an independent review and investigation when they believe their right to fair treatment has been infringed by federal public agencies."

Eight Canadian provinces, the United Kingdom, Australia and New Zealand have ombudsmen.

Exhibit 12.11

Best Practices and Benchmarks

<p>Leadership</p> <p>Heads of organizations and senior managers are trained in values and ethics and are expected to educate their staff and encourage discussion of values and ethics dilemmas in the workplace.</p> <p>Managers are responsible for leading focus group sessions to explain the statement of values and ethics and any codes of conduct, mentoring for leadership based on sound values and ethics, and generating discussion of values and ethics.</p> <p>Over time, different managers and staff are selected on the basis of their reputations for ethical conduct to lead ethics initiatives in their units and be a source of guidance.</p> <p>Managers are responsible for discussing any conflict-of-interest code with their employees before employees are asked to sign a statement that they understand and are in compliance with the code. Managers and employees are responsible for signing a statement that such a discussion has occurred.</p> <p>More stringent conflict-of-interest declarations are used at increasingly senior management levels.</p> <p>Appraisals of senior managers and potential senior managers include an assessment by their superiors and staff of whether they are leading by example.</p> <p>Statements of values and ethics</p> <p>These statements</p> <ul style="list-style-type: none">• recognize that most employees have sound values and ethics;• reflect extensive consultation at all levels of the organization, but especially with middle managers;• are clear, succinct, and relevant to the organization;• are approved and supported at the highest levels of the organization;• recognize that loyalty and trust is a two-way street and contain explicit commitments to employees;• provide detailed explanations, case studies, and guidance;• subscribe where possible to recognized national or international standards;• contain explicit provisions for guiding interaction between the public and private sectors;• apply to contractors, suppliers, and recipients of funding; and• specify consequences of non-compliance. <p>Management policies</p> <p>Establish a clear policy empowering front-line employees to take ownership of a conflict or problem and to resolve it quickly and efficiently.</p>	<p>Establish infrastructure such as a decision-making model that explicitly requires consideration of values and ethics.</p> <p>Establish formal procedures to align all management policies against the values and ethics of the organization.</p> <p>Guidance and training</p> <p>Provide a decision-making model that includes values and ethics.</p> <p>Establish integrated program support services.</p> <p>Develop facilitators and design training programs.</p> <p>Develop case studies of work dilemmas.</p> <p>Develop information resources that managers can use to discuss values and ethics with their staff.</p> <p>Obtain advice from qualified professionals.</p> <p>Place all information relating to values and ethics on the organization's intranet and Web sites.</p> <p>Good-faith intervention</p> <p>Establish a range of options for employees to seek advice and resolve issues, including ombudsmen, ethics advisors, confidential help lines, and alternative dispute resolution procedures.</p> <p>Clearly require managers to proactively address values and ethics incidents rather than wait until an employee takes the initiative.</p> <p>Clearly state the responsibilities of employees when they become aware of questions of values and ethics as well as wrongdoing, and make formal commitments to protect employees who report wrongdoing.</p> <p>Require suppliers of goods and services to report issues relating to values and ethics.</p> <p>Treat infractions and wrongdoing fairly and uniformly.</p> <p>Assessment and reporting</p> <p>Report publicly against highest relevant organizational, national, or international standards.</p> <p>Share information to establish benchmarks.</p> <p>Periodically conduct employee focus groups or surveys to assess perceptions of values and ethics and the effectiveness of training and communication.</p> <p>Conduct focus groups or surveys of stakeholder confidence in the organization.</p> <p>Conduct audits to assess progress in establishing a sound infrastructure to support values and ethics in various parts of the organization.</p>
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Source: Federal government departments and Canadian private companies

Using Best Practices

12.122 For this study we have identified the best practices and benchmarks for promoting values and ethics (see Exhibit 12.11). The practices are based on our review of activities in 10 government departments and practices in over 20 leading Canadian companies. These practices serve as benchmarks to help parliamentarians assess government values and ethics initiatives and to help ministers and federal entities develop and implement effective efforts to promote values and ethics in the public sector.

Conclusion

12.123 Canadians expect that the federal public sector will be a world leader in promoting sound values and ethics in government. Ensuring sound values and ethics is a vital part of good governance that supports and respects fundamental democratic values.

12.124 In this study, we focussed on values and ethics programs and initiatives that promote ethical decision making as part of a comprehensive approach to good governance in federal entities. We noted the following:

- values and ethics initiatives are being undertaken to maintain probity;
- to increase the likelihood of success, values and ethics initiatives have to be carefully developed, implemented, and monitored using the best available practices;
- the initiatives have to be part of a comprehensive effort involving Canadians and all members of the federal public sector; and
- leadership and action by parliamentarians, ministers and senior officials are a prerequisite for the success of these initiatives.

12.125 Changes in government have made it clear that ensuring probity will increasingly rest on a strong foundation of values and ethics. Our May 1995 Report and the Tait Report concluded that there is a sound base of ethical standards among federal public servants. This foundation should not be taken for granted. Measures are being taken to maintain it. Although mostly in their preliminary stages, major values and ethics initiatives are under way.

Priorities and a framework for action

12.126 A comprehensive and sustained dialogue with Canadians and throughout the federal public sector is required. To further discussion with Canadians and throughout the federal public sector and to encourage action, we propose priorities and a framework for action (see Exhibit 12.12). The priorities reflect the major values and ethics challenges that we discussed in this chapter.

12.127 We suggest the following eight priorities for action.

- Reinforce leadership for promoting ethical conduct by, for example,
 - clarifying the principle of ministerial responsibility and the responsibilities of officials; and
 - identifying the responsibilities of senior and line managers for promoting sound values and ethics.
- Re-invigorate an extensive dialogue on values and ethics that emphasizes the primacy of the principles of respect for law, the public interest, and public service as a public trust.
- Develop a statement of values and ethics for the federal public sector and for each federal entity.
- Develop a set of values and ethics to guide the interaction between the public and private sectors.

(continued on page 12–30)

Canadians expect that the federal public sector will be a world leader in promoting sound values and ethics in government.

Exhibit 12.12

Framework for Action

OECD principles	Actions	Primary responsibility
Leadership		
Political commitment to ethics should reinforce the ethical conduct of public servants.	<p>Reinforce political leadership for ensuring integrity in the federal public sector.</p> <p>Affirm the paramount importance of democratic values, the rule of law and public trust.</p> <p>Re-invigorate an extensive dialogue on values and ethics with Canadians and throughout the federal public sector.</p> <p>Develop a set of common values and ethical principles with Canadians for the public sector.</p> <p>Align all systems and policies to support sound public service values and ethics.</p> <p>Clarify the principle of ministerial responsibility and the responsibilities of officials to whom authority has been delegated.</p>	<p>Parliamentarians, ministers</p> <p>Parliament, ministers, Clerk of the Privy Council, heads of federal entities, co-champions for values and ethics, senior public servants, private sector</p> <p>Ministers, Privy Council Office</p>
Managers should demonstrate and promote ethical conduct.	<p>Identify the Clerk of the Privy Council, as Head of the Public Service, and the deputy minister co-champions as the officers responsible for ensuring that values and ethics initiatives are undertaken in the public service.</p> <p>Identify the heads of federal entities as accountable for ensuring that comprehensive values and ethics initiatives are undertaken in their entities.</p> <p>Identify and emphasize the responsibilities of senior and line managers for promoting integrity.</p>	<p>Prime Minister</p> <p>Clerk of the Privy Council</p> <p>Heads of federal entities, Public Service Commission, Treasury Board</p>
Public service conditions and management of human resources should promote ethical conduct.	<p>Based on the appraisals from superiors and staff, hire and promote senior managers who lead by example.</p>	<p>Heads of federal entities, Public Service Commission, Treasury Board</p>
Ethical standards		
Ethical standards for public service should be clear.	<p>Emphasize the principle of public service as a public trust and the primacy of the public interest and the law.</p> <p>In consultation with Canadians, use the set of common principles as a basis for the development of statements of values and ethics that address the specific circumstances of each organization.</p> <p>Explain and balance competing public service values so that the public interest remains the paramount principle.</p> <p>Reinforce the integrity and credibility of the federal scientific and technology community and the regulatory and inspection community.</p>	<p>Parliamentarians, ministers, heads of federal entities, Privy Council Office</p> <p>Parliamentarians, ministers, heads of federal entities, Privy Council Office</p> <p>Privy Council Office, co-champions for values and ethics, Treasury Board</p> <p>Privy Council Office, heads of scientific and regulatory entities</p>

Exhibit 12.12 (cont'd)

OECD principles	Actions	Primary responsibility
Ethical standards (cont'd)		
<p>Ethical standards should be reflected in the legal framework.</p> <p>Appropriate procedures and sanctions should exist to deal with misconduct.</p>	<p>Provide mandatory training to senior managers on the promotion of values and ethics.</p> <p>Identify, integrate, and revise, as needed, the basic legal requirements for ethical conduct.</p> <p>Explain to all members of the federal public sector the general and specific laws and policies relating to improper conduct.</p>	<p>Privy Council Office, Treasury Board, Canadian Centre for Management Development</p> <p>Parliamentarians, Privy Council Office, Department of Justice</p> <p>Heads of federal entities, Treasury Board</p>
Interaction between the public and private sectors		
<p>There should be clear guidelines for interaction between the public and private sectors.</p>	<p>Develop a set of values and ethics to guide interaction between the public and private sectors.</p> <p>Embed key ethics code elements in contracts and agreements on grants and contributions.</p> <p>Require organizations that wish to do business with the government or receive public funds to have a code of conduct or subscribe to a model code.</p> <p>Require proactive due diligence prior to signing contracts and agreements.</p>	<p>Privy Council Office, Treasury Board</p> <p>Privy Council Office, Treasury Board, Public Works and Government Services Canada</p> <p>Privy Council Office, Treasury Board, Public Works and Government Services Canada</p> <p>Public Works and Government Services Canada, heads of federal entities</p>
Decision making		
<p>Ethical guidance should be available to public servants.</p> <p>The decision-making process should be transparent and open to scrutiny.</p> <p>Public servants should know their rights and obligations when exposing wrongdoing.</p>	<p>Establish a variety of options government-wide and in entities to provide guidance, e.g., ethics counsellors and ombudsmen.</p> <p>Develop guidelines and case studies that address dilemmas faced at work.</p> <p>Clarify the meaning of existing codes of conduct or conflict of interest such as the <i>Conflict of Interest and Post-Employment Code for Public Office Holders</i> and the <i>Conflict of Interest and Post-Employment Code for the Public Service</i>.</p> <p>Establish integrated program support centres and a decision-making model that explicitly requires transparency and the consideration of values and ethics.</p> <p>Develop clear and effective recourses for good-faith intervention.</p>	<p>Privy Council Office, Treasury Board, heads of federal entities</p> <p>Privy Council Office, Ethics Counsellor, Treasury Board, heads of federal entities</p> <p>Privy Council Office, Ethics Counsellor, Treasury Board, heads of federal entities</p> <p>Privy Council Office, Treasury Board, heads of federal entities</p> <p>Treasury Board, heads of federal entities, Privy Council Office</p>

Exhibit 12.12 (cont'd)

OECD principles	Actions	Primary responsibility
Decision making (cont'd)		
Management policies, procedures, and practices should promote ethical conduct.	Establish a clear policy empowering front-line employees to take ownership of a conflict or problem and to resolve it fairly and efficiently.	Treasury Board, heads of federal entities
	Align organizational management policies to support ethical decision making.	Treasury Board, heads of federal entities
	Include commitments to employees in statements of values and ethics.	Treasury Board, heads of federal entities
Assessment and reporting		
Adequate accountability mechanisms should be in place in the public service.	Conduct periodic baseline assessments of values and ethics in federal organizations, including assessments by Canadians and specific stakeholders.	Treasury Board, heads of federal entities
	Report to Parliament and the public on the effectiveness of values and ethics initiatives.	Treasury Board, heads of federal entities

(continued from page 12–27)

- Establish comprehensive values and ethics initiatives in federal entities and interdepartmental communities.
- Provide guidance for ethical decision making and develop recourse mechanisms to allow the voicing of ethical concerns, with appropriate protection for all concerned.
- Explain to all members of the federal public sector the general and specific laws and policies relating to improper conduct.
- Provide objective assessments and reports to Parliament on values and ethics in federal entities.

12.128 The federal government needs to develop an implementation plan with deadlines to address values and ethics priorities across the public sector and in federal entities. We will continue to monitor and report to Parliament on values and ethics initiatives in the federal public sector.

Response of the Privy Council Office:
The Auditor General is to be commended for choosing to study what most public

servants acknowledge as some of the keys to the success of the federal public service, that is, its values and ethics.

As the study notes, the report of the task force led by John Tait, A Strong Foundation: Report of the Task Force on Public Service Values and Ethics, marked an important moment in our understanding of the role that values and ethics play in our organization. More important, as this report and others noted, the Public Service of Canada is known and respected for the values and integrity that public servants exhibit in the work they do. In effect, we are able to discuss values and ethics because of the common ground that public servants share in this regard. Many of the best practices highlighted in the Auditor General's study provide further evidence of this fact and the vigour that we display in advocating further work in this area.

Nevertheless, let us be clear — more work needs to be done and will be done. New policies that deal with values and ethics are being developed and shared. The dialogue that is so fundamental to these efforts is taking place and will do so increasingly. More than ever, departments

are sharing their values and ethics best practices, and the values and ethics co-champions are providing leadership and direction that will ultimately ensure our success in these efforts.

This study makes significant strides in highlighting the important role to be played by elected and non-elected officials. However, it is important to underscore that true success in promoting values and ethics as key underpinnings of the culture of the federal public service can only occur with the involvement and commitment of all public servants. This study makes a strong contribution in this regard and will no doubt help serve to invigorate and counsel our efforts.

Response of the deputy minister co-champions for values and ethics in the public service: *We are satisfied that the chapter corresponds with our own assessment of work under way to deepen understanding of values and ethics in the federal public service. There is growing awareness and interest in the links with modern comptrollership and human resource management frameworks, and the dialogue is expanding across the public service. Deputy ministers and other senior officials are fully engaged. Dialogue is important to build understanding, and the activities under way in departments and under the auspices of regional councils are supportive of our overall objectives.*

Response of the Secretary of the Treasury Board: *The chapter corresponds with my own assessment of work under way to further understanding of values and ethics in the public service and to underscore the linkages to modern comptrollership and human resource frameworks. I am pleased with the growing dialogue that is taking place on this important subject. It is a fine tribute to the work of John Tait and the report of his task force, A Strong Foundation.*

Current efforts in support of the dialogue recognize the many benefits of engaging employees at all levels in discussions

about the values of the organization and the ethical dilemmas one can encounter in the workplace. The deputy minister co-champions of values and ethics in the public service have described the dialogue as a journey. The experience of the journey will touch many public servants, and in many ways, the journey is as important as the destination.

This dialogue will provide us with a strong foundation for considering the merits of any formal statement on values and ethics. The dialogue will also help us to address related issues like the need to consult more broadly with Canadians and how best to provide guidance on ethical decision making.

In closing, I would congratulate the Auditor General's staff on the thoroughness of its research and the very professional manner in which it undertook this study.

Response of the Ethics Counsellor: *Paragraph 12.67 of the chapter notes that the Auditor General's 1995 Report found the Conflict of Interest and Post-Employment Code for Public Office Holders to be satisfactory but that "explanatory guidelines and illustrative cases are still needed. This information would help parties covered by the Code as well as Canadians to fully understand its application." I agree with this statement and have two principal comments to make.*

First, let me recall that the Conflict of Interest Code, in its current version, was issued by the Prime Minister in June 1994. One of the more important changes was to give prominence to the principles by which public office holders are to be guided in carrying out their responsibilities. From these principles a number of rules have been developed, covering assets, outside activities, gifts, etc. But it is the principles that provide the broad context about what is expected of those in public life. This Code applies to the Cabinet, parliamentary secretaries, minister's political staff and all Governor-in-Council appointees, including deputy

ministers, the heads of agencies and the members of tribunals such as the Immigration and Refugee Board and the Canadian Radio-Television and Telecommunications Commission.

There are ten principles, but I would highlight the first two. The first principle states that public office holders “shall act with honesty and uphold the highest ethical standards so that public confidence and trust in the integrity, objectivity and impartiality of government are conserved and enhanced.” The second principle takes this further by stating that public office holders have “an obligation to perform their official duties and arrange their private affairs in a manner that will bear the closest public scrutiny, an obligation that is not fully discharged by simply acting within the law.” It is my experience that the Code has worked well

by stating so explicitly to public office holders what is expected of them.

My second comment is directed to the Auditor General’s recommendation for explanatory guidelines and illustrative cases. I believe that the most effective way to disseminate information on the Code and its obligations is through the Internet. As a result, my office has been actively developing a Web site, which can be found at <http://strategis.ic.gc.ca/ethics> (<http://strategis.ic.gc.ca/éthique>). Currently, the site has the Code and supporting documents, the public registry as well as the text of parliamentary hearings, reports and speeches issued by my office. The Internet makes the Code more accessible to public office holders and, more important, to Canadians. It is my hope that our site will be greatly expanded over the next year.



About the Study

Objective

Our objective is to stimulate sustained discussion and action on values and ethics by Canadians and members of the federal public sector.

In this chapter we review major values and ethics initiatives undertaken since our May 1995 Report to Parliament, present information on best practices for promoting sound values and ethics and propose priorities and a framework for government action.

Scope and Approach

We focussed on values and ethics programs and initiatives that promote ethical decision making. Because maintaining probity is the responsibility of all members of the federal public sector, we included within the scope of the study parliamentarians, ministers, federal entities, and organizations and individuals that receive funds from or do business with the public sector.

We obtained information on the major values and ethics initiatives undertaken since our May 1995 Report in the Treasury Board Secretariat, National Defence, the Royal Canadian Mounted Police, Public Works and Government Services Canada, Citizenship and Immigration Canada, Human Resources Development Canada, the Canada Customs and Revenue Agency, Natural Resources Canada, Agriculture and Agri-Food Canada, Industry Canada, the Canadian International Development Agency, and the federal science and technology sector.

We also obtained information on values and ethics initiatives in major Canadian companies.

We did not conduct an in-depth assessment of the effectiveness of these initiatives in changing attitudes and behaviour because most of them are in their early stages of development. Also, to be meaningful, such assessments would have to be done for each department or branch. (For example, we assessed existing values and ethics initiatives of Revenue Canada in our September 1998 Report, Chapter 15, Promoting Integrity in Revenue Canada, and of National Defence in our November 1999 Report, Chapter 26, The Proper Conduct of Public Business.)

The topic of values and ethics is very broad. There are important subjects we did not cover, such as the values and ethics concerns regarding human rights, sexual harassment, diversity, and employment equity.

Criteria

As the primary criteria for this study, we used the OECD's Principles for Managing Ethics in the Public Service:

- Ethical standards for public service should be clear.
- Ethical standards should be reflected in the legal framework.
- Ethical guidance should be available to public servants.

- Public servants should know their rights and obligations when exposing wrongdoing.
- Political commitment to ethics should reinforce the ethical conduct of public servants.
- The decision-making process should be transparent and open to scrutiny.
- There should be clear guidelines for interaction between the public and private sectors.
- Managers should demonstrate and promote ethical conduct.
- Management policies, procedures and practices should promote ethical conduct.
- Public service conditions and management of human resources should promote ethical conduct.
- Adequate accountability mechanisms should be in place within the public service.
- Appropriate procedures and sanctions should exist to deal with misconduct.

We also used major government and private sector values and ethics initiatives as benchmarks to conduct this study.

Finally, we considered the observations and recommendations of major federal public sector reports, namely the following:

- the 1984 report by Michael Starr and Mitchell Sharp, *Ethical Conduct in the Public Sector*;
- our May 1995 Report, Chapter 1, *Ethics and Fraud Awareness in Government*; and
- the 1996 report, *A Strong Foundation: Report of the Task Force on Public Service Values and Ethics* (Tait Report).

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Appendix A

Possible Elements of an Ethical Framework Proposed in Our May 1995 Report

A statement of principles to ensure common understanding that public service is a public trust.

Leadership of the Prime Minister, ministers, the Clerk of the Privy Council and deputy ministers to maintain ethical standards.

Public servants who are empowered to carry out their duties in the public interest and resist pressure to do otherwise.

Transparent decision making to allow people to judge whether public office holders are acting in the public interest.

Ethics-related training to develop knowledge and skills to maintain and enhance ethics.

A mechanism for discussing and reporting ethical concerns so that public servants can voice concerns without fear of reprisal.

A continuous process that makes ethics a conscious and visible part of day-to-day decision making.

Appendix B

Major Values and Ethics Initiatives Since Our May 1995 Report

May 1995	The Auditor General presents his Report to Parliament, which includes Chapter 1, Ethics and Fraud Awareness in Government.
June 1996	The Royal Canadian Mounted Police completes the shared leadership vision process.
October 1996	National Defence publishes a Statement of Defence Ethics.
December 1996	The Tait Task Force publishes <i>A Strong Foundation: Report of the Task Force on Public Service Values and Ethics</i> .
March 1997	The Ethics Counsellor establishes the Lobbyists' Code of Conduct.
October 1997	A report on modernizing government comptrollership recognizes the importance of values and ethics.
October 1997	Public Works Government Services Canada initiates a comprehensive ethics program.
April 1998	The Organization for Economic Co-operation and Development adopts its Principles for Managing Ethics in the Public Service.
December 1998	Citizenship and Immigration Canada (CIC) issues <i>The Ethical Compass: Values and Ethics Dilemmas at CIC</i> .
January 1999	The federal government initiates a project on best practices for managing science in the public sector.
February 1999	The <i>Corruption of Foreign Public Officials Act</i> is promulgated.
April 1999	The Treasury Board Secretariat establishes the Office of Values and Ethics.
May 1999	Deputy minister co-champions for values and ethics are appointed.
May 1999	The Council of Science and Technology Advisors publishes <i>Science Advice for Government Effectiveness</i> .
June 1999	Canada signs the Inter-American Convention Against Corruption.
August 1999	The Treasury Board emphasizes the need for public servants to understand the legal and policy framework for conflict of interest.
January 2000	The Canadian Centre for Management Development re-issues <i>A Strong Foundation: Report of the Task Force on Public Service Values and Ethics</i> .
January 2000	Deputy minister co-champions for values and ethics meet deputy ministers.
March 2000	The Treasury Board's report, <i>Results for Canadians: A Management Framework for the Government of Canada</i> , recognizes the importance of sound public service values.
March 2000	In the Seventh Annual Report to the Prime Minister on the Public Service of Canada, the Clerk of the Privy Council emphasizes the role of public service values.
Spring 2000	The Leadership Network reports on the values and ethics dialogue in the public service.

Appendix C

Purposes and Principles of the Code of Official Conduct Recommended by the 1997 Special Joint Committee of the Senate and the House of Commons

The purposes of the Code of Official Conduct are the following:

1. to recognize that service in Parliament is a public trust;
2. to maintain public confidence and trust in the integrity of parliamentarians individually and the respect and confidence that society places in Parliament as an institution;
3. to assure the public that all parliamentarians are held to standards that place the public interest ahead of parliamentarians' private interests and to provide a transparent system by which the public may judge this to be the case;
4. to provide for greater certainty and guidance for parliamentarians in how to reconcile their private interests with their public duties;
5. to foster consensus among parliamentarians by establishing common rules and by providing the means by which questions relating to proper conduct may be answered by an independent, non-partisan advisor.

All parliamentarians are expected to uphold the following principles.

1. **Ethical standards**

Parliamentarians shall/should act with honesty and uphold the highest ethical standards, so as to maintain and enhance public confidence and trust in the integrity of each parliamentarian and in the institution of Parliament.

2. **Public scrutiny**

Parliamentarians shall/should perform their official duties and arrange their private affairs in a manner that will bear the closest public scrutiny, an obligation that is not fully discharged by simply acting within the law.

3. **Independence**

Parliamentarians shall/should take care to avoid placing themselves under any financial or other obligation to outside individuals or organizations that might influence them in the performance of their official duties. Particular vigilance should be exercised in dealings with lobbyists.

4. **Public interest**

Upon election or appointment to office, parliamentarians shall/should arrange their private affairs so that foreseeable real or apparent conflicts of interest may be prevented from arising, but if a conflict does arise, it shall/should be resolved in a way that protects the public interest.

5. **Gifts and personal benefits**

Parliamentarians shall/should not accept any gift or personal benefit connected with their office that may reasonably be seen to compromise their personal judgment or integrity.

Appendix D

The United Kingdom's Seven Principles of Public Life

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Appendix E

The United Kingdom's Civil Service Code

1. The constitutional and practical role of the Civil Service is, with integrity, honesty, impartiality and objectivity, to assist the duly constituted Government, of whatever political complexion, in formulating policies [of the Government], carrying out decisions [of the Government] and in administering public services for which [the Government] is responsible.

2. Civil servants are servants of the Crown. Constitutionally, [the Crown acts on the advice of Ministers] and, subject to the provisions of this Code, civil servants owe their loyalty to the [duly constituted Government].

3. This Code should be seen in the context of the duties and responsibilities [of Ministers set out in Questions of Procedure for Ministers], which include:

- accountability to Parliament;
- the duty to give Parliament and the public as full information as possible about [the] policies, decisions and actions [of the Government], and not to deceive or knowingly mislead [Parliament and the public];
- the duty not to use public resources for party political purposes, to uphold the political impartiality of the Civil Service, and not to ask civil servants to act in any way which would conflict with the Civil Service Code;
- the duty to give fair consideration and due weight to informed and impartial advice from civil servants, as well as to other considerations and advice, in reaching decisions; and
- the duty to comply with the law, including international law and treaty obligations, and to uphold the administration of justice;

together with the duty to familiarise themselves with the contents of this Code.

4. Civil servants should serve [the duly constituted Government] in accordance with the principles set out in this Code and recognising:

- the accountability of civil servants to the Minister or, as the case may be, the office holder in charge of their department;
- the duty of all public officers to discharge public functions reasonably and according to the law;
- the duty to comply with the law, including international law and treaty obligations, and to uphold the administration of justice; and
- ethical standards governing particular professions.

5. Civil servants should conduct themselves with integrity, impartiality and honesty. They should give honest and impartial advice to [Ministers], without fear or favour, and make all information relevant to a decision available to [Ministers]. They should not deceive or knowingly mislead Ministers, Parliament or the public.

6. Civil servants should endeavour to deal with the affairs of the public sympathetically, efficiently, promptly and without bias or maladministration.

7. Civil servants should endeavour to ensure the proper, effective and efficient use of public money.

8. Civil servants should not misuse their official position or information acquired in the course of their official duties to further their private interests or those of others. They should not receive benefits of any kind from a third party which might reasonably be seen to compromise their personal judgement or integrity.

9. Civil servants should conduct themselves in such a way as to deserve and retain the confidence of Ministers and to be able to establish the same relationship with those whom they may be required to serve in some future Administration. They should comply with restrictions on their political activities. The conduct of civil servants should be such that Ministers and potential future [Ministers] can be sure that confidence can be freely given, and that the Civil Service will conscientiously fulfil its duties and obligations to, and impartially assist, advise and carry out the policies of the duly constituted [Government].

10. Civil servants should not without authority disclose official information which has been communicated in confidence within the [Government], or received in confidence from others. Nothing in the Code should be taken as overriding existing statutory or common law obligations to keep confidential, or to disclose, certain information. They should not seek to frustrate or influence the policies, decisions or actions of the [Government] by the unauthorised, improper or premature disclosure outside the [Government] of any information to which they have had access as civil servants.

11. Where a civil servant believes he or she is being required to act in a way which:

- is illegal, improper, or unethical;
- is in breach of constitutional convention or a professional code;
- may involve possible maladministration; or
- is otherwise inconsistent with this Code;

he or she should report the matter in accordance with procedures laid down in [departmental] guidance or rules of conduct. A civil servant should also report to the appropriate authorities evidence of criminal or unlawful activity by others and may also report in accordance with [departmental] procedures if he or she becomes aware of other breaches of this Code or is required to act in a way which, for him or her, raises a fundamental issue of conscience.

12. Where a civil servant has reported a matter covered in paragraph 11 in accordance with procedures [laid down in departmental guidance or rules of conduct] and believes that the response does not represent a reasonable response to the grounds of his or her concern, he or she may report the matter in writing to the Civil Service Commissioners.

13. Civil servants should not seek to frustrate the policies, decisions or actions of the [Government] by declining to take, or abstaining from, action which flows from decisions by Ministers. Where a matter cannot be resolved by the procedures set out in paragraphs 11 and 12 above, on a basis which the civil servant concerned is able to accept, he or she should either carry out his or her instructions, or resign from the Civil Service. Civil servants should continue to observe their duties of confidentiality after they have left [their] employment.

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