

# Code of Ethics

## The Government Finance Officers Association (GFOA)

*“Trust is the glue of life. It’s the most essential ingredient in effective communication. It’s the foundational principle that holds all relationships.”*

–Steven R. Covey, American educator, author, businessman

Public service is a sacred trust. The finance office plays an important role in the public service. The finance officer has stewardship over citizens' shared financial resources. These resources make possible the services that are essential to the safety, livability and vitality of our communities.

We, the government finance officers of the United States and Canada, have a deep and abiding desire to prove ourselves worthy of the *trust* that has been bestowed upon us. We want to prove it to the citizens of the communities we serve and to their elected representatives. We want to prove it to ourselves and remain true to the values that animate our work as public servants.

*Trust* is an asset as important as any other that can be found on our balance sheets. But how can we maintain and grow this asset? The GFOA code of ethics shows us how. It is grounded in the values of:

- Integrity and Honesty
- Producing Results for My Community
- Treating People Fairly
- Diversity and Inclusion
- Reliability and Consistency

Our code shows how we live these values. It recognizes that people are imperfect and that we are all subject to biases that can challenge ethical behavior. Our code asks the members of government finance offices to confront these challenges in order to serve our communities to the best of our abilities.

## OUR CODE

As a member of my government's finance office, I commit to living the following values in order to prove myself worthy of the trust my community has placed in me.

### Integrity and Honesty

Integrity and honesty are the foundation on which trustworthiness is built. I, as a public finance officer, have a unique position, where my influence over the allocation of scarce resources and the fiscal future of my community requires the highest standard of integrity and honesty. It means people can believe what I say, I act in accordance with my deepest values, I put principle ahead of my own ego, and I do the right thing even when it is hard.

#### How I Show Integrity and Honesty

- A. **Manage public finances honestly.** Most fundamentally, this means I will: *exercise prudence in the management of public funds; uphold the letter and the spirit of the law; avoid conflicts of interest; and not seek personal gain in conduct of the public's business.* I will develop the policies, procedures, and systems necessary to ensure honest financial management in my government.

*GFOA's suggestions for how you could live this value...*

- Develop policies for common areas of ethical risks.
- Develop strong anti-fraud practices.

- B. **Stand for my values.** Integrity is the integration of my values with my behavior. I will define the values that drive how financial management is conducted in our government, and then be prepared to give voice to those values when faced with pressure to do the wrong thing.

*GFOA's suggestions for how you could live this value...*

- Discuss these values in the finance office and make them explicit.
- Discuss these values with elected officials to make sure they know how you will conduct yourself.
- Practice how to give voice to your values when you face pressure to do the wrong thing
- Seek feedback from others to find out if they think you are living your values.

- C. **Be open to new ideas.** Openness is essential to integrity because it means I am willing to admit that I may not always be right. I am willing to consider new information or ideas – they could prove essential to the continued safety, livability and vitality of my community.

*GFOA's suggestions for how you could live this value...*

- Develop a means for staff to voice their concerns and an environment in which they feel safe to do so.
- Actively seek out new perspectives on your organization's financial condition.
- Adopt a mindset that encourages personal growth.

## Producing Results for My Community

Public finance officers have an important job. Doing that job well honors the trust that the public has placed in me. When I show I am well informed and knowledgeable, I build trust.

### How I Produce Results for My Community

- A. **Do high-quality work.** When I produce results that meet the needs of our local government, I gain the confidence of the public and my colleagues.

*GFOA's suggestions for how you could live this value...*

- Confer with people who will use your work to understand what they need from you to do their jobs well.
- Develop standards of performance for your work and stick to them.
- Look for opportunities to continuously improve your work relative to the set standards.

- B. **Hone my expertise.** Continually refining my knowledge, skills and abilities assures people that I'm able to produce results for our community now and in the future.

*GFOA's suggestions for how you could live this value...*

- Commit to ongoing professional development, both for technical skills and people skills.
- Know your strengths and weaknesses to understand which capabilities to accentuate and which to compensate for.

- C. **Exercise good judgement.** Judgment is the application of our knowledge, skills and abilities. Sound judgment requires testing my intentions and motivations and exercising constant self-awareness. By paying attention to the effect that conflicting demands, pressing deadlines and other biasing factors may have on my decision-making, I am more likely to choose in the best interest of the community I serve rather than my personal interest. That is the essence of sound judgment.

*GFOA's suggestions for how you could live this value...*

- Work with elected officials and staff to balance the long- and short-term interests of the community to promote the safety, livability and vitality of the community for current and future generations.
- Make decisions even when they are difficult and build a support structure so that you are not alone when help is most needed.

## Treating People Fairly

As a democratic organization, local governments depend on good working relationships between people. If people feel unfairly treated, relationships can break down. For example, they may withhold their cooperation from and support for a project critical to the community. This puts the financial health of the local government at risk.

### How We Treat People Fairly

- A. **Respect the rights of others.** Public finance officers are in a position of power. When using that power, the rights of other people must be respected. This includes providing equal treatment and opposing unethical discrimination, harassment or other unfair practices.

*GFOA's suggestions for how you could live this value...*

- Develop workplace environment where staff are encouraged to be engaged and participate.
- Recognize that your position and authority may intimidate others, requiring you to proactively reach out to your peers, team members and supervisors to build equitable work relationships.
- Approach decisions that will impact employees or the community with humility and an open mind.

- B. **Develop processes and procedures that are fair.** When employees and citizens believe that decisions are fact based and take all concerns into consideration, they are more likely to support them – even if they disagree with the final outcome.

*GFOA's suggestions for how you could live this value...*

- Ensure those with whom you interact feel heard, even if you may disagree.
- Improve processes so they are clear and easy for employees and the public to understand.

## Diversity and Inclusion

Communities across the country are constantly changing. Embracing diversity and fostering inclusiveness helps finance officers cultivate organizations and develop finance policies that reflect the communities they serve.

### How We Value Diversity and Foster Inclusion

- A. **Provide people with opportunities to be part of decisions that impact them.** Public finance decisions often have big implications for people outside of the finance office. If these people are part of the decision-making process, they are more likely to feel fairly treated and thereby regard the public finance officer as trustworthy.

*GFOA's suggestions for how you could live this value...*

- Design a budget process that engages the community.

- B. **Support equity in service provision.** Local government services, from public safety to education, are critical to the lives of our citizens. Finance officers, because of their resource allocation role, can impact the quality of services and how and where services are provided. I commit to valuing diversity within my organization and within my community, recognizing my own biases, and calling out unfair discrimination of any kind.

*GFOA's suggestions for how you could live this value...*

- Develop empathy for those who have been, or are now, suffering from discrimination.
- Define diversity in the broadest sense, including ethnicity, gender and other characteristics relevant to my community.
- Develop skills to communicate effectively with others despite differences in viewpoints.

## Reliability and Consistency

When others can count on me, I prove my trustworthiness. This is “walking my talk”. When I consistently apply my standards – especially to myself – I honor my commitment to the community I serve and make it easier to continue to do the right thing even when faced with challenging circumstances.

### How We Show Reliability and Consistency

- A. **Develop strong financial policies.** Financial policies provide the “rules of the road” and a standard of performance against which my community can judge its finances.

*GFOA's suggestions for how you could live this value...*

- Develop policies for essential topics like reserves, revenues, debt and investments.
- Integrate these policies into decision-making.

- B. **Produce reliable information.** People rely on information produced by public finance officers to make important decisions for the community. That information should be accurate and free of material misstatements or omissions.

*GFOA's suggestions for how you could live this value...*

- Take full advantage of annual audits as an opportunity to improve.
- Acknowledge where substantial uncertainty exists and help people manage risk.
- Compare projections to what actually happens, and then improve.

- C. **Provide timely information.** Set clear expectations for when work will be accomplished and live up to those expectations. Timely financial information allows decisions that rely on that information to be timely too.

*GFOA's suggestions for how you could live this value...*

- Produce information sufficiently in advance of when it is needed to make a decision.
- Make information accessible so that people can get it when they need it.