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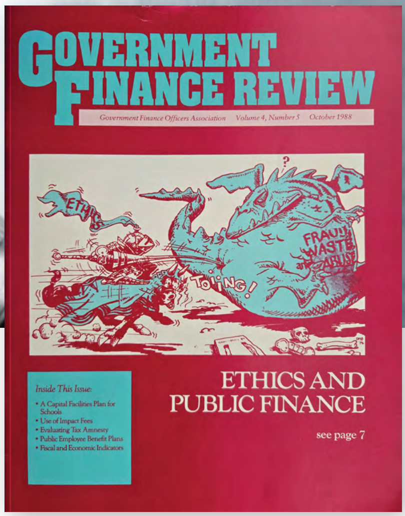

Ethics and the Public Finance Function

A look back at *GFR* in October 1988

Ethics is a matter of trust—and public service is a special trust. The finance office has stewardship over citizens' shared financial resources, which make possible the services that are essential to the safety, livability, and vitality of our communities. GFOA has always focused on the essential work of showing that we are worthy of the trust that has been bestowed upon us.

The October 1988 issue of *GFR* asked, "What cultural, ethical, and professional beacons does the public finance official have to steer by?"

Five points were identified: cultural legacy; public opinion and trust; higher standards being applied to public service; public officials' fundamental obligation to operate within the law regarding decision making; and the fact that organizational and professional issues will be watched closely by the public.

"Money and power are the cronies of opportunity and temptation," the article stated. Government officials—and finance officials in particular—are stewards of public money and therefore have to be especially watchful for problems arising from bias, inaccuracy, careless analysis, conflict of interest, or outright corruption.

Ethics isn't just about right or wrong behavior. Some ethical concerns are well known and easily understood—the prohibition against bribery, for example. But some areas are ambiguous and confusing, sometimes even contradictory. Opinions about behavior can't always be easily understood or explained. The article cites a 1985 survey in which more respondents indicated that it's wrong to steal cable television than to steal on the job, which isn't what you would necessarily have predicted. And that's the issue—it just isn't always possible to predict how the public will react to an ethical question.

The phrase "you can't fight city hall" pretty much sums up the public's concerns about local government. The reality and threat of unequal power mean that citizens depend, to some degree, on public officials, who exert authority that is backed up by police authority of the state. The realities of threat and unequal power mean that public officials must be held to the highest moral standard.

Danger zones include distortion or deception, inaccuracy, and access to proprietary and privileged information. A 1988 GFOA exposures draft directed finance officers to "respect and protect privileged information to which they have access by virtue of their office." It also stated that finance officers are obligated to "protect professional integrity in the issuance and management of information," with accuracy, disclosure, professionalism, and responsibility as benchmarks.

Ethics is fundamental to forging trust. "Public opinion and trust are critical elements in a democracy that relies on voluntary compliance rather than forced obedience," the article noted. Furthermore, "a shift in the climate of opinion has affected the work of all public officials. The precipitous decline in public confidence and trust in governmental officials and trust in governmental officials and institutions...started in the 1960s and continues to this day." And to this day, it turns out.

GFOA's current code of ethics begins with the advice that legal compliance is obviously necessary, but it isn't enough. After asking oneself if an action is legal, the following questions should be: Is it ethical? Is it effective? Is the decision professional, responsible, and fair? GFOA takes ethics as seriously today as ever, stressing the need for Integrity and honesty; producing results for your community; treating people fairly; valuing diversity and fostering inclusion; and showing reliability and consistency.

Learn more about how to live up to the code:
gfoa.org/code-of-ethics