

FEDERATED STATES OF MICRONESIA
Department of Finance & Administration

CODE OF CONDUCT
June 2016

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Introduction

This code applies to all employees or agents (“officers”) of the FSM Department of Finance and Administration (the “Department”). For purposes of this code, employees are referred to as the public servants under the public service system regulations and agents include any persons contracted by the Department or whose services are authorized by the Secretary to have access to the Department’s records or reports.

Members of the public are entitled to expect all officers to be honest, impartial, and professional. To maintain public confidence it is important that officers maintain the highest standards of integrity in their dealings with members of the public, the business community and other government officials.

A key element in any integrity program is the development, issuance, and acceptance of a comprehensive Code of Conduct which sets out in very practical and clear terms the standard of behavior expected of all officers. Our Code of Conduct contains the following 11 key elements:

1. Personal Integrity
2. Compliance with the Law
3. Relations with the Public
4. Acceptance of Gifts, Rewards, Hospitality and Discounts
5. Avoiding Conflict of Interest
6. Political Activities
7. Conduct in Money Matters
8. Confidentiality and Use of Official Information
9. Use of Official Property and Services
10. Private Purchases of Government Property by Staff
11. Work Environment

1. Personal Responsibility

1.1. General Rules

All Officers must accept personal responsibility for compliance with this Code. In particular, officers must:

- Take the time to read and understand this Code and the implications of non-compliance;
- Perform duties with care, diligence, professionalism, and integrity;
- Strive for the highest ethical standards, not just the minimum required to meet legal or procedural requirements;
- Observe appropriate acts, regulations, determinations and lawful directions that relate to the performance of official duties;
- Treat colleagues and members of the public with courtesy and be sensitive to their rights, duties and aspirations;
- Avoid waste or extravagant use of public resources;
- Not take, or seek to take, improper advantage of any official information acquired in the course of official duties; and
- Behave in a manner that maintains or enhances the reputation and professional standing of the Department.

1.2. Supervisors and Managers

Supervisors and managers have a particularly important role to play and must be prepared to:

- Lead by example;
- Ensure that staff are familiar with the relevant legislation, regulations, procedures, and instructions; and
- Take appropriate action when staff falls short of the required standards.

2. Compliance with the Law

2.1 Criminal Offenses

All officers must comply with the law. The special responsibilities of the Department mean that offenses relating to legislation which the Department administers, or has an interest in, are regarded most gravely when committed by Department officers.

Department officers who commit offenses involving, in particular: prohibited drugs, fraud, accepting bribes, or illegal importation or exportation of goods will be subject to disciplinary action or dismissal, regardless of any penalties applied as a result of criminal proceedings. All officers are required to inform the senior manager on duty as soon as they became the subject of criminal or possible criminal proceedings.

On receipt of such information the senior officer on duty should decide whether the officer can be retained on normal duty, moved to alternative duties, or suspended from duty.

There must be no official attempt to influence action being contemplated by the Police.

2.2 Complaints against the Department and its Officers

It is important that the public has confidence in the integrity of the Department and its staff. In order to ensure that this confidence is maintained, complaints against the Department or individual officers must be investigated promptly and objectively.

2.3 Internally Initiated Allegations

If officers believe they are being required to act in a way which is illegal, improper, unethical, or in any way in breach of this Code, they have a responsibility to report the matter to their immediate supervisor.

The supervisors must record and take effective steps to investigate all such claims. In some cases, particularly when allegations are made against senior officers, it may be necessary to refer the investigation to the Department Secretary or the Secretary of Justice.

3. Relations with the Public

The public expects that its dealing with the Department will be fair, professional, and confidential. To ensure that a high standard of service is maintained and to improve the quality of service provided, it is essential to adopt a courteous, helpful, and professional attitude toward the public.

3.1 Your responsibilities

Officers should use all reasonable means to help the public to fulfill their obligations and obtain their rights under the law.

3.2 Promotional Activities on Behalf of Other Organizations or Businesses

It is essential that the Department be, and be seen to be, impartial in its dealings with the public. To avoid criticism that one party is being favored over another or that a reward of some kind has been received, invitations to become involved in the promotional activities of any organization should be declined. If officers are in doubt about the nature of such a request, they must refer the matter to their supervisor or manager.

3.3 Disclosure of Name – Wearing of Identification

The public have the right to know who they are dealing with. As such, all officers are expected to identify themselves in correspondence and on the telephone.

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In addition, officers who have been issued name plates or badges should wear them whenever they are dealing with the public during the course of their work.

3.4 Official Security Items

Online banking and server passwords, security tokens, keys, security badges and the like are to be maintained safely by the officer to whom they have been issued and must be surrendered to the Secretary on termination of employment.

3.5 Dealings with the Business Community

The business community should understand the ethical standards as practiced by the Department and should ensure their own practices do not pressure officers to depart from those standards. Any attempts by members of the business community to offer inducements or other benefits in exchange for favors or special treatment must be reported immediately in writing to the senior officer on duty.

3.6 Assault and Obstruction of an Officer

Officers should always consider their own safety and the safety of their colleagues when undertaking their duties. If a situation arises where it would be wiser to withdraw and seek additional support from trained personnel, then officers should do so. In all cases, such action should be immediately reported to the senior manager on duty.

4. Acceptance of Gifts, Rewards, Hospitality, and Discounts for Staff

4.1 Gifts and Hospitality

In many cases official duties will bring officers into contact with organizations and members of the public who may expect officers to be party to the common private sector practice of offering gifts and hospitality to business contacts. While it is important to maintain contacts with outside groups, it is vital that Department officers be, and be seen to be, free of any form of bribery or corruption. The offering of gifts or other benefits may be seen as an attempt to influence a decision which an officer is required to make and therefore must be avoided.

For this reason officers must not accept gifts or hospitality of any kind except in cases where:

- The gift is of an inexpensive nature such as a tie, drinking cup, calendar or diary given in the spirit of harmonious business relations;
- Refusal of the gift would cause offense on cultural grounds;
- The gift is offered in a public forum where refusal would cause embarrassment; or
- The hospitality is associated with the demands of work, for example, working meals or legitimate representational functions to meet and discuss business with key clients.

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In cases where a more expensive item is accepted for cultural or protocol reasons the item must be surrendered to the government (Supply Branch) and must not be regarded as the personal property of the officer.

In all cases where the value of an item received is greater than \$100, officers must advise the senior manager on duty in writing of the gift or hospitality received, including the name of the officer receiving the gift or hospitality, the supplier, a description of the term, and its approximate value.

4.2 Staff involved in Procurement

Staff involved in procurement must take special care to ensure they do not expose themselves to allegations of unfair purchasing practices. As such, staff should not under any circumstances accept gifts or hospitality from current or prospective suppliers.

4.3 Incidental Benefits obtained as a result of Goods and Services purchased with Official Funds

Many commercial organizations offer free gifts to anyone using their service. If possible, any incidental benefits of this kind are to be used by the government and under no circumstances should individual officers avail themselves of these benefits.

5. Avoid Conflict of Interest

5.1 Personal Association with those who do Business with the Department.

Conflict of interest may arise from official dealings with, or decisions made in respect of, individuals who share private interest. For example, membership in societies, clubs, or other organizations.

Where potential conflict of interest arises, officers must advise the Department Secretary and ensure that their official duties do not place them in a position where allegations of unfairness may be made.

5.2 Involvement in Business Interests and Government Contracts

Where a conflict of interest exist, no government contract may be given to a member of the Department or any partnership where a partner is a member of the Department unless the member has fully disclosed the extent of his or her interest in the contract and the Department Secretary is satisfied that no conflict of interest, or appearance of conflict of interest, could rise.

5.3 Engaging in other Paid Employment

Officers wishing to hold outside employment must obtain prior permission from the Department Secretary. When discussing this with the Secretary, officers must be able to establish that such employment will not create a conflict of interest or adversely affect the performance of official duties. All outside work must be performed separately from, and outside, periods of official duty.

As a general rule, all former officers should avoid situations where their current knowledge could result in an unfair commercial advantage or involve potential breaches of confidentiality.

6. Political Activities

Officers are free to become members of, and participate in, any lawful political organization. However, they must not publicly promote party views on issues when their work involves advising, directing, or implementing government policy and programs on such issues. Likewise, while officers have the right to make public comments and enter into public debate on issues of the day, there are circumstances where public comment is inappropriate because of an officer's employment status. Inappropriate public comment includes:

- Personal statements or opinions which could be taken as official comments;
- Attacks on the administration of the Department which could cause serious disruption in the workplace;
- Expressing a negative opinion about government policy when acting in an official capacity; and
- Public attacks on specific Department colleagues.

7. Conduct in Money Matters

7.1 General Rules

An officer who becomes insolvent or bankrupt must notify the Department Secretary of the circumstances as soon as possible. This provision extends to those suffering significant financial difficulties where there is little or no prospect in the near future of being able to meet current debts. Temporary financial embarrassment need not be reported.

Officers who are bankrupt or insolvent will normally be allowed to continue in employment unless they have committed a serious disciplinary or criminal offense involving public money. Officers who are bankrupt or insolvent should not normally be employed on duties which might permit misappropriation of public funds.

7.2 Private Financial Transactions

Private financial transactions between members of staff are discouraged. This includes making loans to staff members. Officers who enter into voluntary private transactions with other members of the Department do so at their own risk. Those entering into such arrangements should ensure that the work of the Department and its reputation are not adversely affected by their private arrangements.

7.3 Dealing with Official Money

The receipt and custody of official money is restricted to those who need to do so in the course of their official duties. In normal circumstances, no other officer should accept money due to the Department unless specifically authorized to do so. When such authority is given it should be confirmed in writing. Any money accepted on behalf of the Department must be receipted for, deposited, and accounted for immediately in accordance with applicable procedures.

All officers have a responsibility to the public to use their money only for proper purposes and to make sure value for money is obtained. Officers must avoid giving cause for criticism that the money is being used directly for the personal benefit of members of the Department. Any money spent must be for legitimate official purposes.

If there is any incidental personal benefit as a result of public expenditure, then officers must be sure it could be defended in the face of any criticism from the press or public.

Anything that would benefit an individual officer in such a way that it could be looked upon as a “perk” is totally unacceptable.

The following principles apply to the spending of public money:

- Public money must be spent wisely and properly;
- Transactions involving public money must be accounted for correctly;
- Only authorized persons may make spending decisions;
- The rules which apply to the acceptance of gift, hospitality, and other benefits apply to officers making spending decisions; and
- Officers must not make use of their official position to further either their own private interests or those of others.

8. Confidentiality and Use of Tax and other Information

All officers of the Department are required to protect the privacy of individuals in official dealings.

The ways in which official information can be misused include:

- Leaking information;

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- Use of information for personal or private gain;
- Taking advantage of a person on the basis of information gained through confidential records; and
- Removing, altering, or destroying official records.

Engaging in any of the above activities is unacceptable and may lead to prosecution or disciplinary action, including dismissal.

In particular, officers have a duty not to disclose outside the Department any taxpayer specific gross revenue tax or wage and salary tax information that has been obtained in the course of official duties. Officers are also not allowed to engage in the business or profession of tax accounting or accept employment with compensation from any person or business, either directly or indirectly, to prepare tax returns, advising, or preparing materials to be used in an effort to defeat or cancel any tax assessed by the Department. These restrictions are required by 54 FSMC Sections 116 and 117; they extend to documents, records, and information stored electronically.

All officers of the Department are required to sign a confidentiality statement (see Oath of Confidentiality on page 15) upon accepting a position with the Department to affirm his or her understanding of the above rules. Once signed, the statement is required to be filed in the officer's personnel file.

9. Use of Official Property and Services

9.1 General Rules

Unless specifically authorized, the use of resources or services paid for with official money for personal purposes or gain is prohibited. Such resources include:

- Facilities (including telephone, photocopies, office equipment/supplies);
- Vehicles, vessels, machinery and equipment;
- Computers and computer software;
- Security passes and official stationery; and
- Stamps and postal services.

Furthermore, the use of a portable electronic equipment i.e. laptop, mobile phone, external drive and the like at home or outside of the normal working hours, is allowed if a supervisor has authorized for this.

The costs on goods and services can be reduced by paying due attention to the physical security of all government assets. All officers are required to make adequate security arrangements for government assets under their control.

9.2 Motor Vehicles

In respect to the use and care of official vehicles specific rules apply. These include:

- Officers driving official vehicles must be licensed and authorized;
- Unauthorized passengers must not be carried;
- Officers must not drive official vehicles when under the influence of alcohol or any other intoxicant or drug;
- Unless specific permission has been granted, official vehicles must not be used to provide transport to and from officers' personal residences; and
- Official vehicles must not be used for personal business.

10. Private Purchases of Government Property by Staff

10.1 Purchase of Government Articles by Staff

All officers are free to purchase articles of government property which are on sale to the public (for example, publications, surplus supplies, and goods sold at government sales) unless:

- Officers have, because of their official position, been able to obtain special knowledge about the condition of the goods being sold;
- Officers have been officially associated with the disposal arrangements; or
- Officers receive the goods at a discount that would not be available to a member of the public.

10.2 Purchase of Seized or Forfeited Goods

It is important that members of the Department should not be thought to have an advantage over members of the public in the purchasing of seized or forfeited goods. For this reason staff are prohibited from making purchases at sales of goods seized by or forfeited to the government (e.g. levies on tax liens, sales of forfeited fishing boats), either directly or through a third party.

11. Work Environment

11.1 General Principles

All officers have the right to a healthy and safe work place, free of discrimination and harassment, in which individual and organizational objectives can be met. A good working environment is one that:

- Is fair and equitable;
- Is safe and supportive;
- Is free of alcohol and drugs;

- Is free of harassment and unjustified discrimination;
- Values individual differences and cultural diversity;
- Provides honest performance feedback and development opportunities; and
- Seeks staff involvement in the decision making process.

11.2 Fairness and Non-Discrimination

A commitment to fairness and non-discrimination is central to maintaining Department standards of equity, ethical conduct, and accountability. All officers must take an active role in ensuring that the work environment is free of discrimination and harassment of any kind. Any discrimination or harassment should be reported immediately to supervisors or management, who shall promptly investigate and take appropriate action.

11.3 Occupational Health and Safety

Each staff has a right to a healthy and safe working environment. Officers must take seriously their responsibilities in respect to safety issues and should report any health or safety concerns or breaches of rules of regulations promptly to their supervisor.

11.4 Misuse of Drugs

Through its Division of Customs and Tax Administration, the Department is responsible for preventing the illegal importation of certain drugs.

As such, it will not tolerate any officer participating in the illegal importation, possession, trafficking, or use of illicit drugs or other prohibited substances. Officers knowingly involved with illicit drugs will be subject to disciplinary and/or criminal action.

11.5 Misuse of Alcohol

Officers must not, through the intake of intoxicating liquor, render themselves unfit to perform their duties. Officers whose work performance or conduct is impaired by alcohol are expected to remove themselves from the workplace until they are fully effective. As alcohol is frequently a contributory factor in workplace accidents, officers engaged in boarding vessels or operating motor vehicles or machinery should refrain from consuming any alcohol in the period immediately prior to commencing duties.

11.6 Smoking

The Department has a duty to protect its officers and provide a healthy and safe working environment. Officers must not smoke in areas where it is prohibited or when on active duty in public places and in the presence of Department customers. At private premises officers must not smoke in areas in which smoking is prohibited by the proprietor.

11.7 Betel-nut

Strict adherence is required for all officers to restrain from chewing betel-nut in the Department's workplaces.

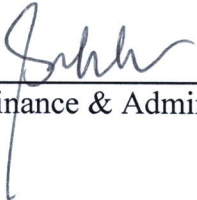
11.8 Food Consumption

Officers are responsible for the general upkeep and cleanliness of their workplaces. A clean workplace environment helps to ensure the safety and health of employees and visitors to the Department. Food consumption is not allowed in the workplaces except at the Department's designated lounge room. When using the lounge room, officers are to ensure their leftover food and trash such as food paper plates, empty drink cans and plastics are disposed of properly.

11.9 Standards of Dress

The dress and appearance of all officers should reflect a professional image. Public perceptions and work practice can be influenced by the appearance of officers.

At all times clothing should be appropriate to the duties and generally established standards, and the officer's appearance should be neat, clean and tidy.

Adopted by: 
Secretary of Finance & Administration

Date: June 20, 2016

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OATH OF CONFIDENTIALITY

As a Public Servant or Contractor I, _____, Do Solemnly Swear, That While Working with the Department of Finance and Administration I Have Access To Sensitive and Confidential Information And Data, And I Must Protect The Information From Unauthorized Disclosure And I Am Prohibited From Using It For Any Other Purposes. After Termination Of My Employment From The Department Of Finance and Administration, FSM National Government, I Shall Not Disclose Or Make Known, Except As Authorized By Law, Any Information acquire during my tenure or employment with the Government To Any Foreign Entities Or Other Entities In The FSM Without Proper Consent From the Government of the FSM.

Officer
(Signature)

Subscribed and sworn (affirm) before me on the ____ day of _____ 20__.

Notary
(Seal and signature)