LAKE COUNTY STANDARDS OF CONDUCT
FOR APPOINTED OFFICIALS TO BOARDS AND COMMISSIONS

As the appointing authority for over 70 local appointed units of government, the Chairman of the Lake County Board has established Standards of Conduct that our nearly 300 appointees are required to follow.

The Standards fall into five key areas:

- Accountability
- Fiscal Responsibility
- Transparency
- Efficiency
- Ethics

The Standards outlined below establishes criteria for appointees to abide by. Each appointee is required to sign the attached certificate acknowledging they agree to follow the Standards of Conduct in order to serve on a board or commission.

ACCOUNTABILITY

Reporting of Information to the Lake County Board Office

Communicating information to the Lake County Board office is critical to the success of each appointed unit of government.

1) Appointees need to notify the Lake County Board Office of major events, expenditures, employment issues and other important decisions so the Lake County Board is well informed on the management of the appointed units of government.

2) Appointees will abide by the Lake County Ordinance Implementing the Authority Permitted Pursuant to Illinois Public Act 097-0084 and related statutory provisions by providing the following information annually within 30 days of receipt of a written request from the Lake County Board Chairman:

    - Budget and Reserve Policies
    - Adopted Annual Budget
    - Annual Audit including internal controls and management letters
    - Any required legal filings with State or regulatory agencies

3) The following information will be provided upon request of the Lake County Board Chairman and subsequently as the appointed unit of government makes any amendments to the following documents:

    - An organizational chart
    - Employment contracts of the organization administrator or executive director

- Employment policies and procedure including leave and benefit allowances and any other form of compensation including bonuses or vehicles use allowances.
- Procurement policies detailing methods for soliciting bids and selecting unbid contracts.
- Ethics policy
- Proof of insurance bonds for all officeholders (if required)

4) Additionally, appointees will further abide by the above statute by immediately disclosing any internal or external findings of non-compliance with any law or regulation involving the unit of local government and its personnel.

Failure to provide this information will result in immediate suspension of all appointments and reappointments.

FISCAL RESPONSIBILITY

Lake County government prides itself on its strong record of fiscal responsibility. It is important that appointed units of government are prudent stewards of public money regardless if it is generated through local taxes, state and/or federal grants or other means.

While each appointed unit of government's scope, responsibilities and budgets are different, the following actions are mandatory for appointees:

1) Establish Annual Budget Policies based on the needs of the organization the people it serves
2) Budget in a fiscally conservative manner by:
    a. Utilizing performance-based budgeting
    b. Maintain and follow a Reserve Policy that allows for appropriate cash reserves and avoids excessive reserve balances
3) Adhere to industry standards, comparable and best practices when making decisions on budgeting, contracting, expenditures, employment, compensation, benefits, settlements and other financial standards
4) Ensure the use of Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS) and enact, monitor and update financial policies as necessary. Follow the Government Finance Officers Association (GFOA) recommended policies covering financial planning, revenue and expenditures, at a minimum. See GFOA Best Practices in Appedix A.

TRANSPARENCY

Transparency and responsiveness are important values that foster open government and community engagement.

The following actions are important in order to ensure appointed units of government are accountable to the Lake County Board and the public.

1) Respond to constituent inquiries as promptly as possible and maintain an attitude that welcomes and fosters community engagement.
2) Publish board member and staff member (if applicable) contact information on the appointed unit of government website.
3) Adhere to the Illinois Open Meetings Act including posting of meeting schedules and agendas on the appointed unit of government's website.
4) Complete annual Open Meetings Act training through the state's online program.

EFFICIENCY

The Lake County Board strives for more efficient and collaborative government. Whenever possible, appointed units of government should strive to decrease costs and increase efficiency by:

1) Promoting shared services and collaboration between other appointed and local units of government.
2) Utilize contracting to reduce personnel and project costs.
3) Evaluate business practices and procedures to enhance operational efficiency.

ETHICS

Lake County government is a leader in ensuring ethical conduct in government.

1) Appointees of the County Board Chairman are now required by Illinois Public Act 98-0457 to "abide by the ethics laws applicable to, and the ethics policies of, that county and, if applicable, shall be subject to the jurisdiction of that county's ethics officer or inspector general."

2) In April of 2011, the Lake County Board enhanced its Ethics Ordinance beyond what is required by Illinois Law to prohibit board members from influencing hiring decisions or vendor selection. The ordinance states:

> No County Board member or appointed official shall use his or her position to influence or attempt to influence, in any way, hiring officials to employ particular candidates who have applied for position vacancies or to create employment opportunities specifically for a particular individual. No County Board member or appointed official shall use his or her position to influence or attempt to influence, in any way, purchasing officials to select a particular vendor to perform contracted services for the County or to initiate contact with departments regarding matters related to hiring and purchasing selections. County Board members or appointed officials may provide a verbal reference if contacted and requested by a staff member responsible for making the hiring or purchasing selection.

a) County Board members of appointed officials shall not be eligible to participate on a committee or panel charged with making purchasing recommendations/decisions if the member of official, or his or her spouse or immediate family member, has a financial interest in the purchasing decision.
b) County Board members or appointed officials shall not be eligible to participate on a committee or panel charged with making hiring recommendations/decisions if the member or official is the spouse or immediate family member of the candidate, has a personal relationship with the candidate or may have a financial interest in the employment decision.

CERTIFICATE OF ACKNOWLEDGEMENT

I, _____ as an appointee to the
(NAME)

_____ acknowledge that I have
(UNIT OF GOVERNMENT)

reviewed the Lake County Standards of Conduct for Appointed Officials to Boards and Commissions and that I agree to comply with the standards set forth while serving the people of Lake County in my stated capacity.

_____
(SIGNATURE)

_____
(DATE)

APPENDIX A

BEST PRACTICE

Adoption of Financial Policies (2001) (BUDGET)

Recommendation. The Government Finance Officers Association (GFOA) recommends that, at a minimum, financial policies in the following areas be developed by professional staff and formally adopted by the jurisdiction's governing board ***as well as the governing boards of those component units; state, provincial and municipal corporations and organizations; and other bodies under their jurisdiction***.

- Financial Planning Policies
- Revenue Policies
- Expenditure Policies

The jurisdiction's adopted financial policies should be used to frame major policy initiatives and be summarized in the budget document.

It is further recommended that these policies, along with any others that may be adopted, be reviewed during the budget process. Professional staff should review the policies to ensure continued relevance and to identify any gaps that should be addressed with new policies. The results of the review should be shared with the governing board during the review of the proposed budget.

Policy categories that should be considered for development, adoption and regular review are as follows:

Financial Planning Policies
These policies address both the need for a long-term view and the fundamental principle of a balanced budget. At a minimum, jurisdictions should have policies that support:

1. **Balanced Budget -** A jurisdiction should adopt a policy(s) that defines a balanced operating budget, encourages commitment to a balanced budget under normal circumstances, and provides for disclosure when a deviation from a balanced operating budget is planned or when it occurs. (NACSLB Practice 4.5)
2. **Long-Range Planning -** A jurisdiction should adopt a policy(s) that supports a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs and assumptions. (NACSLB Element 9, GFOA Recommended Practice)[1]
3. **Asset Inventory -** A jurisdiction should adopt a policy(s) to inventory and assess the condition of all major capital assets. This information should be used to plan for the ongoing financial commitments required to maximize the public's benefit. (NACSLB Practice 2.2)[2]

Revenue Policies
Understanding the revenue stream is essential to prudent planning. Most of these policies seek stability to avoid potential service disruptions caused by revenue shortfalls. At a minimum jurisdictions should have policies that address:

1. **Revenue Diversification -** A jurisdiction should adopt a policy(s) that encourages a diversity of revenue sources in order to improve the ability to handle fluctuations in individual sources. (NACSLB Practice 4.6)
2. **Fees and Charges -** A jurisdiction should adopt policy(s) that identify the manner in which fees and charges are set and the extent to which they cover the cost of the service provided. (NACSLB Practice 4.2)
3. **Use of One-time Revenues -** A jurisdiction should adopt a policy(s) discouraging the use of one-time revenues for ongoing expenditures. (NACSLB Practice 4.4)
4. **Use of Unpredictable Revenues -** A jurisdiction should adopt a policy(s) on the collection and use of major revenue sources it considers unpredictable. (NACSLB Practice 4.4a)

Expenditure Policies
The expenditures of jurisdictions define the ongoing public service commitment. Prudent expenditure planning and accountability will ensure fiscal stability. At a minimum, jurisdictions should have policies that address:

1. **Debt Capacity, Issuance, and Management -** A jurisdiction should adopt a policy(s) that specifies appropriate uses for debt and identifies the maximum amount of debt and debt service that should be outstanding at any time. (NACSLB Practice 4.3, 4.3a, GFOA Recommend Practices pp.90-92)
2. **Reserve or Stabilization Accounts -** A jurisdiction should adopt a policy(s) to maintain a prudent level of financial resources to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. (NACSLB Practice 4.1)[34]
3. **Operating/Capital Expenditure Accountability -** A jurisdiction should adopt a policy(s) to compare actual expenditures to budget periodically (e.g., quarterly) and decide on actions to bring the budget into balance, if necessary. (NACSLB Practice 7.2)

<u>References</u>

- "Developing Formal Debt Policies," *Government Finance Review*, August 1991.
- "Elements of a Comprehensive Local Debt Policy," *Government Finance Review*, October 1994.
- GFOA Best Practice, “Setting of Government Charges and Fees,” 1996.
- *Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting* National Advisory Council on State and Local Budgeting, 1998.
- *A Guide for Preparing a Debt Policy*, Patricia Tigue, GFOA, 1998.

- See also GFOA’s best practice on *Establishment of Strategic Plans*, 2005.
- See also GFOA’s best practice on *Sustainability*, 2002.
- See also GFOA’s best practice on *Business Preparedness and Continuity Guidelines*, 2005.
- See also GFOA’s best practice on *Appropriate Level of Unreserved Fund Balance in the General Fund*, 2002.