



STATEMENT OF ETHICAL PRINCIPLES

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STATEMENT OF ETHICAL PRINCIPLES

PROVENANCE

This Statement of Ethical Principles was developed by Ruth Merskey. She consulted widely, conducting a thorough scan of Best Practices within the field. Included in her research were discussions with leading jurists and government relations practitioners, as well as a detailed review of comparable codes and legal material. A complete list of resources is attached.

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PREAMBLE

In Public Affairs, the four pillars of good, ethical practice are integrity, competency, courtesy and transparency.

Purpose

The Public Affairs Association of Canada (PAAC) is a gathering place for the interchange of ideas and ideologies, professional development and practical networking. As the established national organization in this field, PAAC helps define appropriate conduct. While the Association and its Board recognize the professionalism with which the majority of practitioners conduct their business, PAAC appreciates that improving public understanding of the nature of public affairs, and articulating ethical standards with respect to professional practice, client need and current Canadian legislation, is of continuing interest to the industry. We hope that this Statement of Ethical Principles will come to stand as a primary element of a commitment to good public affairs practice in Canada.

PAAC is privileged to present these recommendations to its membership and the wider community. We invite our members to embrace this work and its moral stance.

Public Affairs

Public Affairs is the management of strategic advice, communications, regulatory obligation and advocacy in the public and private sectors. Professionals working in this sphere carry interests as diverse as policy and business development, legislative initiative, marketing, investor and public relations, reputation management and the law. Government relations (GR) - often referred to as 'lobbying', is a large aspect of the public affairs discipline. This is by no means the only one, but it receives perhaps the widest scrutiny and, periodically, criticism.

To be precise: lobbying relies on the establishment of good relationships within or with reference to the political system. It is a legitimate and highly regulated activity for the purpose of advocacy. It can help smooth the path to influence in the political environment, but it is neither the purchase nor the presumption of access to power.

Government has fairly been called a 'maze.' One can easily be lost without advice and practical comprehension of the intricacies involved. GR specialists interpret the daily function of government, bureaucracy, political and policy imperatives, message or issue management, and communications. They assist their clients in understanding the democratic process, showing them how to navigate properly through the public environment in order to achieve identifiable objectives.

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Public Affairs today has developed to help corporate, charitable and political clients engage with their audience. As a profession, it stands at the cusp of emerging trends which affect businesses and individuals alike. Although it is recognized increasingly for its high standard of practise and expertise, as well as the impact practitioners can have on the development and debate of issues, Public Affairs has yet to achieve the status of more traditional professions. It is time for the profession of Public Affairs to step forward and be acknowledged for the value and diversity of its contributions to Canadian society.

Principles

Ethical arguments reflect dilemmas in which one must consider subordinating a lesser good, often including self-interest, to a greater good. To deal with them correctly is to deal with them fairly and thoughtfully, weighing obligation and potential outcome in the particular circumstances. Moral challenges can be best addressed through good judgment and thoughtful, reason-based decision-making; in other words, knowledge, objectivity, common sense, wisdom and moral obligation are often described as the key features of ethical conduct.

Commitment in this field can offer substantive benefit to clients while working in harmony with the public good. Establishing an agreed-upon framework for ethical reference will acknowledge and advance this delicate balance for the public affairs profession. Indeed, one impetus for this Statement is to address and overcome public concern. Any profession can be open to abuse or misadventure, but most public affairs professionals strive to meet the obligations of the profession correctly. Most understand that opportunity entails responsibility - to the profession, to the client and to the public.

The principles which must sustain public affairs are integrity, competency, courtesy and transparency. For practitioners, these elementary principles can be delineated:

- To act with due respect for Canadian Law, including Statutory, Regulatory and Common Law
- To uphold accepted standards of the profession
- To avoid conflicts of interests
- To be alert to perceived conflicts of interest
- To acknowledge, meet or exceed the expectations of propriety and public perception

When each of these elements is in place, when they are followed reliably and without wavering even in difficult circumstances, then this profession can be recognized as upstanding. One must be scrupulous and seen to be so.

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This Statement

This Statement represents a compass, indicating the expectations for appropriate conduct. It is an outline of best current practices in the field. Defining the overarching values and standards is a good first step, but PAAC understands that both opportunity and need are greater. This Statement is voluntary. It invokes neither a system for adherence nor a mechanism for enforcement in the case of a breach. If the profession is to be fully accepted as an ethical, contributing member in this democratic system, then it must be held to be equally accountable - to its own profession, to a standard of regulatory care and, eventually, accreditation. It is our hope that this Statement will help move the industry forward in establishing a voluntary system of obligation.

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THE STATEMENT

(I) Integrity: Values

Integrity is the basis for all good, qualitative relationships. Members of the industry must be scrupulous in both their action and the appearance of it. Genuine respect for the issues, individuals and facts must balance equally with consideration for the effect of change to policy, industry and the public condition.

Public Affairs Practitioners will:

(i) Avoid acting in such a way as to bring harm or disrepute to the profession, colleague or client. Be honest and forthright in all dealings with colleagues, clients and interested parties. Avoid both the deed and the appearance of impropriety.

(ii) Be aware of and act at all times with due respect for Canadian Law and, with particular regard for the Charter of Rights, the Federal and Provincial Lobbyist Registration Acts and municipal codes as they apply to the jurisdiction of practice. Recognize that others have obligations and allegiances to their own Codes of Ethics and regulations for professional conduct; do not deliberately allow one's actions to place others in breach of their own standards.

(iii) Provide advice, guidance and an informed opinion as to the nature of the business, policy or legislative issue in a manner that is forthright and unbiased.

(iv) Treat financial and contractual matters in a clear and forthright manner. Provide clients and colleagues with all relevant information when determining fee structures and contracts. Offer neither guarantee nor promise with respect to a desired outcome or goal in pursuit of a client relationship or fee.

(II) Competence

Comprehension of client need, matched by knowledge and experience of the relevant sector is essential to professional competence. Ethical professionals recognize the practical, the appropriate and the necessary and work to balance them ethically, harmoniously and with goodwill.

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Public Affairs Practitioners will:

- (i) Manage client expectation reasonably. Give advice tactfully and truthfully, tell clients what they need to know, even in difficult or unpleasant circumstances.
- (ii) Acknowledge in full the contribution of others. Be equally responsible for the efficacious use of time, consultation, human labour, research, development and billing practices. Be transparent in the management of accounts, obligation and client interest.
- (iii) Assist the client, colleague or associate in gaining a genuine understanding of the nature, opportunities and limitations of the industry, government and the public interest.
- (iv) Explain to the client the functioning of research practices, communications and reputation management. Work openly with the client to ensure that policy and decision-makers receive qualitative, objective information.

(III) Courtesy

Courtesy and civility are the essential elements of positive, professional conduct and human interaction. Upholding these principles acknowledges expectation for considerate and thoughtful interaction. Among competitive businesses and strategic practices, there is room for tact, upright collegial engagement and respect.

Public Affairs Practitioners will:

- (i) Act in good faith.
- (ii) Conduct themselves with professional goodwill, behaving reasonably toward colleagues, clients and other associates. When disputes arise, work to resolve them fairly, avoiding an escalation whenever possible.
- (iii) Understand that public affairs can be reciprocal in nature. Offer clients an alternative suggestion for a firm or advisor when faced with a potential conflict in the engagement of a new client or project. Do so frankly and with an appreciation for the service they will receive elsewhere.
- (iv) Engage in professional debate and development with regard for junior and senior colleagues. Appreciate that each new set of skills and experience will contribute layers of knowledge to the conduct of a true professional, and by extension to the profession itself. Offer guidance, mentoring and advice. Extend this whenever possible within the boundaries of a healthy competitive relationship.

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(IV) Conflicts of Interest: Transparency and Disclosure

One cannot easily meet the obligation to provide best counsel or assistance to one client if one has another client with a competing concern. A genuine conflict of interest will diminish the efficacy and value of the work; the perception of conflict can raise serious concern among clients and the public. The clearest way to assess the perception of conflict is to consider what an informed, reasonable person aware of the relevant circumstances might think. How would one view or define a competing interest? Are there distinctions which can be drawn between the professional's interests and those of the client? Has full disclosure been made to each concerned party?

Public Affairs Practitioners will:

(i) Realize that personal connections may have a bearing on an actual or a perceived conflict of interest, and work diligently to avoid personal conflicts of interest.

(ii) Recognize that conflicts can be defined within the context of the client/consultant relationship. The nature or probability of a conflict may depend on the services the client seeks.

(iii) Understand that there will be situations in which one might think that one is in a conflict of interest, but that the duty owed to another client precludes revealing the nature of the conflict:

(a) Not offering full disclosure may be appropriate in such cases, but the potential for conflict must be acknowledged.

(iv) Be wary of improper personal gain or financial interest in connection with a client relationship. Undertake never to benefit from superior knowledge at the expense of or to the detriment of the client.

(v) Ensure that any new engagement is subject to full disclosure with respect to regulatory requirements, the firm and the client.

(vi) Treat new situations objectively, examining each new client relationship for actual or perceived conflict, as well as the potential for it. Be honest with both prospective and on-going clients about the nature of concern regarding particular subject matter or connections.

(vii) Realize that some conflicts of interest may only become evident over time. Re-examine issues and relationships in continuing client engagements to avoid the future occurrence of conflict. Inform clients as soon as the potential for conflict arises.

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(viii) Organize the working environment to ensure confidentiality of information. Firms with multiple areas of interest may choose to establish formal “Chinese Walls” (also called “Cones of Silence”) to facilitate this.

(a) Chinese Walls provide a barrier to the transfer of knowledge and information within a department or firm. (The term refers to the Great Wall of China; the structure is vast and difficult to circumvent.) Chinese Walls allow a single firm to represent multiple competing interests, operating on a ‘need to know’ basis. Participants’ access to systems of data or files is severely restricted. They are prohibited from discussing case-related material outside their team.

(b) All clients must be made aware that the professional or firm they have hired - and from whom they may reasonably expect loyalty - may be connected to a competing interest. Clients should be counseled independently before agreeing to the use of a Chinese Wall. They must also offer a clear approval of it.

(ix) If Chinese Walls are established, ensure that they are observed correctly. Assign one member of the firm to review cases and the transfer of information, and to act as arbiter when conflicts arise.

(x) Understand that the consequence of getting into a conflict or a perceived conflict may be that you have to cease acting for one or both clients. Be willing to relinquish either an actual or a potential relationship with one client if their interests, or the interests of another client, place the professional or the firm into a position of conflict. Realize that this may include financial loss.

(xi) Recognize that some contractual arrangements bring a fiduciary duty, the key or hallmark of which is loyalty to the client.

(xii) Manage any fee for service agreement within strict limitations of propriety, transparency and the law. Success and performance based fees must be managed scrupulously; parameters must be articulated in full and the client must be thoroughly cognizant of both implications and obligations.

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(V) Government Relations (GR), 'Lobbying'

Lobbyists provide direction and guidance on communications, policy, message management and presentation, as well as the parameters for delivery, failure and success of client wishes. Lobbyists may indeed advocate for their clients, but it is more common for them to assist clients in representing themselves.

Public Affairs Practitioners will:

- (i) Recognize that the combination of business and political interest is open to mishandling and mistrust. Conduct themselves with due concern for impropriety, whether perceived or actual.

- (ii) Respect regulatory statutes and meet in full their obligations for disclosure.

- (iii) Use their access to influence wisely and correctly on behalf of their client, without relinquishing their obligations to professional standards and the public.

- (iv) Recognize that the measurement of success in public affairs – the ability to have your message resonate with key decision-makers and motivate the change your clients seek – must be tempered with respect for professional conduct and the public good.

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CONSULTATIONS AND RESOURCES

The following individuals consulted generously during the development of this Statement of Principles. Those whose names are marked with an asterisk kindly reviewed the draft as well.

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REFERENCE TEXTS

Codes of Ethics

Ethical Guidelines, from U.S. Public Affairs Council Annual Report 2003
Ethical Principles for Judges, Canadian Judicial Council
Ethical Standards, Ethics Practitioners' Association of Canada
Canon of Ethics, Association of Authors' Representatives
Code of Conduct, Association of Professional Political Consultants, U.K.
Code of Ethics, Canadian Medical Association
Code of Professional Standards, Canadian Public Relations Society
Consultant Standards, Association of Professional Communication Consultants
Constitution and Code of Practice, Association of Authors' Agents
CSAE Code of Conduct, Canadian Society of Association Executives
Declaration of Principles, Global Alliance for Public Relations and Communications Management
Ethical Fundraising and Financial Accountability Code, Canadian Centre for Philanthropy
IEEE Code of Ethics, Institute of Electrical and Electronics Engineers
Integrity from "*The Spirit and the Letter*", General Electric Integrity Policy
GPC Code of Conduct
PRSA Member Code of Ethics, Public Relations Society of America
Principles for the Ethical Conduct of Lobbying: "The Woodstock Principles", Woodstock Centre, Georgetown University

Rules for Professional Conduct

Code of Professional Conduct, Canadian Bar Association (CBA)
CBA Code of Conduct Resolutions
Code of Professional Conduct, GRIC
Rules of Professional Conduct, Law Society of Upper Canada

Legal References

Consolidated By-Laws, Public Affairs Association of Canada, Inc.
Lobbyist Registration Act (R.S. 1985, c. 44 (4th Supp.))
Lobbyist Code of Conduct (Federal)
Lobbyists Registration Act, 1998 (Ontario)
Quebec Code of Conduct for Lobbyists
A Guide to the Lobbyists Registration Act, Lobbyists Registration Office, Office of the Integrity Commissioner, Legislative Assembly of Ontario
Committee Hearings on the Lobbyist Registration Act, Hansard, Public Bills Index, 36th Parliament, 2nd session, November 4th and 25th, 1998
Drabinsky v. KPMG, 41 O.R. (3d) 565, [1998] O.J. No. 4075, Court File No. 98-CV-1555092, Ontario Court General Division
Macdonald estate v. Martin, [1990] 3 S.C.R. 1235, 1991 CanLII (S.C.C.)
R. V. Neil [2002] 3 S.C.R. 631, 2002 SCC 70

Other

Conflict of Interest: A Task Force Report, Institute of Chartered Accountants, 2000
Modernizing the CBA Code of Professional Conduct: Final Report of the Standing Committee on Ethics and Professional Responsibility, CBA, 2004