



Secretary of State  
Oregon Audits Division

# MUNICIPAL AUDIT PROGRAM

## BACKGROUND

A public official is any person who is serving the State of Oregon or any of its political subdivisions or any other public body, as an elected official, appointed official, employee, agent or otherwise, irrespective of whether the person is compensated for the service. All public officials have an obligation to conduct business in an ethical manner and make decisions that are in the best interest of their constituents.

It is imperative that you keep the public's interest in mind and avoid any situations where your self-interests are put first. The [Oregon Ethics Commission](#) (OEC) regulates the activities of public officials in three primary areas: financial disclosure, prohibition against the use of office for financial gain, and conflicts of interest. The OEC provides a guide for public officials on their website or you can contact OEC directly with questions. The Oregon government ethics laws are found in Oregon Revised Statute, chapter [244](#).

## ETHICS BASICS

### Public Officials

Compliance with ethics rules is the personal responsibility of each public official. The cornerstone of Ethics law is to prohibit public officials from using or attempting to use their official positions or offices to obtain a financial benefit for themselves, relatives, or businesses they are associated with through opportunities that would not otherwise be available but for the position or office held. Public officials include:

- Elected or appointed to an office or position with a state, county or city government.
- Elected or appointed to an office or position with a special district.
- An employee of a state, county, city, agency, or special district
- An unpaid volunteer for a state, county, city, agency, or special district.
- Anyone serving the State of Oregon or any of its political subdivisions, such as the State Accident Insurance Fund or the Oregon Health & Science University.

**Relatives:** Provisions in ethics laws restrict or prohibit a public official from using or attempting to use official actions of the position held to benefit a relative. Additionally, ethics laws may limit the value of financial benefits accepted by a relative of the public official or may require the public official to disclose the nature of a conflict of interest.

In general, public officials may obtain employment with a private employer or engage in private income producing activity of their own. They must not use the position held as a public official to create the opportunity for additional personal income.

## Conflicts of Interest

A public official is met with a conflict of interest when participating in official action which could or would result in a financial benefit or detriment to the public official, a relative of the public official or a business with which either is associated. Conflicts of interest should be publically disclosed and recorded. Abstain from votes or decisions where conflicts exist. How the conflict is to be disposed of should also be recorded.

## Gifts

Gifts are any item with an economic value given to a public official or their relative without cost or at a discount. During each calendar year, no public official can accept gifts from a single source that, in aggregate, exceed \$50. Further details are found in statutes.

## STAY CONNECTED

We receive many requests for information and improved communication targeted to municipal officers and staff. In response, we created an email listing to inform subscribers periodically about changes in Municipal Audit Law, financial reporting requirements, audit standards, and changes to program forms or processes. Sign up for updates at [sos.oregon.gov/audits](https://sos.oregon.gov/audits) and include “Municipal Audit Program” in your selection.

## Questions?

Call our office at (503) 986-2255 or email [municipalfilings.sos@sos.oregon.gov](mailto:municipalfilings.sos@sos.oregon.gov)