



## BOARD POLICY

Policy:	Conflict of Interest
Effective Date:	January 31, 2017
Area of Responsibility:	Board
Revision Approval Date(s):	June 11, 2020; September 22, 2021;

### 1. POLICY STATEMENT

The purpose of this policy is to define and provide direction regarding conflicts of interest, in a manner consistent with the Association's philosophy, vision, mission and values, encouraging the highest ethical standards.

### 2. PURPOSE

The Association of Regulated Nurses of Manitoba (the Association) must meet high ethical standards to meet the trust of its partners, members, government, and the public. The integrity of the Association depends on ethical behaviour throughout the organization, and on fair, well-informed decision-making. The ability to make decisions is sometimes affected by other interests, personal or professional, of individuals in the organization. As such, conflict of interest situations is a regular part of organizational and personal life and cannot simply be eliminated. The objective of this policy is to permit the Association to manage conflicts of interest situations successfully and resolve them fairly.

### 3. SCOPE

This policy applies to all members of the board of directors and all staff of the Association. It also applies to volunteers, but circumstances will be considered when managing any conflict.

### 4. CRITERIA/GUIDELINES

#### **Definition of conflict of interest:**

A conflict of interest is a situation in which a person has a private or personal interest sufficient to appear to influence the objective exercise of their official duties at the Association.

“Private or personal interest” refers to an individual’s self-interest (e.g. to achieve financial profit or avoid loss, or to gain another special advantage or avoid a disadvantage; the interests of the individual’s immediate family or business partners; or the interests of another organization in which the individual holds a position (voluntary or paid).

“Objective exercise of duties” refers to an individual’s ability to carry out their responsibilities in the best interest of the Association.

#### **Types of conflict**

A board director, employee or volunteer of the Association may be in a conflict of interest situation that is:

1. **Actual or real**, where his or her official duties are or will be influenced by their private interests.
2. **Perceived or apparent**, where their official duties appear to be influenced by their private interests.
3. **Foreseeable or potential**, where their official duties may be influenced in the future by their private interests.

Board directors, staff and volunteers are responsible for managing conflict of interest situations to ensure that workplace behavior and decision-making throughout the Association are not influenced by conflicting interests.

### **Responsibility for prevention**

The Association supports an organizational culture in which people freely take responsibility for both self-declaring possible conflicts of interest, and respectfully raising possible conflicts faced by others in the Association. This culture makes it possible to avoid many such situations from arising in the first place. The executive director, staff, volunteers and board directors have the responsibility to implement practical preventable measures, such as:

1. Providing education about what to do when gifts and hospitality are offered;
2. Providing meeting agendas in advance to enable participants to foresee possible conflicts;
3. Ensuring that people are clearly told when information must be protected from improper use; and
4. Declining involvement in an action such as supporting a questionable outside activity.

### **Responsibility for managing**

Where prevention is not possible, conflict of interest situations must be managed. Below are the steps to be taken by those involved in such situations, working together and supporting one another's ethical responsibilities:

1. **Declare it.** Ensure transparency by self-declaration, and by making sure that a record of the declaration is made.
2. **Discuss it.** In a doubtful situation, take a moment for a quick word with the chair of the meeting or undertake a full dialogue with the group, if the situation warrants it.
3. **Deal with it.** Measures to mitigate or eliminate a conflict of interest will depend on what is appropriate to the severity of the situation. Options include:
  - a. **Restrict the involvement of the individual.** For example, withdraw or recuse from decision-making.

- b. **Remove the individual from affected duties.** When a restriction is not an available option, the individual with a conflict may be removed from duties related to the conflict. The individual could be transferred to another duty or committee. This may not be possible with a staff person in a very small organization like the Association. It is an option that can be considered for volunteers.
  - c. **Relinquish the private interest.** In cases of a serious conflict the individual may choose to drop the private interest.
  - d. **Resign from the official duties.** In serious cases where other solutions are not possible, the individual may have to resign from the position creating the conflict.
4. **Document what has been done.** Board minutes, correspondence to interested parties, committee meeting minutes, or other documentation will provide a record of steps taken (e.g. member declares conflict, withdraws from decision-making).

## 5. PROCEDURE

### Policy application

1. This policy must be made available for members to review prior to putting their name forward as nominees for elections or as volunteers with the Association.
2. This policy should be reviewed with prospective new employees prior to hiring to ensure that no unavoidable, unmanageable or foreseeable conflict of interest exists such that it would interfere with or seriously curtail the ability of the person to assume and/or perform the abilities of the position prior to accepting the position and possibly resigning from other employment.
3. Notwithstanding paragraphs 1 and 2, this policy must be explained to all new board directors, staff and volunteers. All such affected persons must agree in writing, at the outset of taking a position or volunteering with the Association that they will abide by this policy (see Appendix A).
4. At that time, board directors and staff must disclose possible conflict situations to the executive director (or board president if appropriate), in confidence. Subsequent material changes must be disclosed when they first emerge. Volunteers must inform the Association representative (e.g. staff member or committee chair) with whom they have

contact regarding possible conflict of interest situations before they are appointed to Association committees or other positions in the Association or at the earliest possible opportunity once they become aware of the conflict.

5. The executive director (or board president if appropriate), will indicate to each individual whether any further action is necessary to manage the possible conflicts of interest that have been disclosed. Actions might include the following, depending on the severity of the conflict:
  - a. Declaring a conflict to all concerned before discussion or decision making;
  - b. Withdrawing from final decision-making only; or
  - c. Withdrawn from all aspects of discussion and decision-making.
6. The executive director (or board president if appropriate), is also the final authority on resolving disputes, for example when an individual does not agree with the perception that they are facing a conflict of interest.
7. The executive director (or board president if appropriate), is the authority on dealing with real conflicts of interest which are discovered after the fact. A variety of serious measures, such as canceling a contract for hiring decision, may have to be considered, case-by-case, in such situations. The Association may consult with legal counsel prior to the final disposition.
8. For the purposes of this policy, the board president is the appropriate authority in all matters relating to the affairs of the board, any issues involving board committees, and the executive director's own affairs.
9. Any issues involving the board president's own affairs will be dealt with by the board president-elect and the board. The executive director is the authority in all other matters.

## Transparency

The application of this policy involves two types of transparency:

1. **Confidential disclosure:** affected persons must provide information on possible conflicts of interest and related matters to the executive director, or board president if appropriate. This information will be kept strictly confidential.

2. **Declarations to concerned parties:** if the executive director (or board president if appropriate), deems that a particular element of information on a possible conflict of interest must be provided to a wider audience of concern parties (such as the members of the committee or the board), then a declaration of the conflict of interest situation will be made and recorded. The person involved should be consulted prior to the wider declaration. Consideration should be given to the sensitivity of the information, privacy of the individual involved in considering the method and forum for disclosure.

\*Notwithstanding these opportunities to declare conflicts in advance, board directors should be given an opportunity at the beginning of each board meeting to consider and declare a conflict of interest in relation to any issues on the agenda of that meeting.

### **Good judgment**

The application of this policy relies heavily on the good judgment and common sense of those affected, following consideration of ethical principles, the vision, mission, values, and strategic goals of the Association, and the best interest of the Association.

### **Accountability**

1. Every member of staff is responsible for their own conflict of interest situation:
  - a) Awareness of the policy,
  - b) Self-declaring potential problems to the executive director,
  - c) Respectfully identifying potential problems of other staff members,
  - d) Undertaking follow-up action determined by the executive director, and
  - e) Making disclosures when circumstances change significantly.
2. Volunteers are responsible for respecting this policy. They should take any questions in this regard to the chair of their committee for the executive director, or the board president as appropriate.
3. The executive director is responsible for the ongoing application of the policy and procedures to staff. The executive director will:
  - a) Be a point of contact for advice about conflict of interest matters,
  - b) Determine the actions required because of confidential disclosure,

- c) Receive complaints about possible breaches of the policy,
  - d) Determine the actions required by breaches of the policy, and
  - e) Make annual reports on the overall situation of conflict of interest of staff and volunteers to the board.
  - f) Make timely disclosures involving serious and unresolved conflicts of interest to the board president and/or board as necessary.
4. The executive director's own conflict of interest situation is the responsibility of the board. The executive director should communicate with the board president in advance regarding any possible conflict of interest and to plan disclosure to the board when necessary.
  5. The board president elect will, together with the board, deal with the board president's own conflict of interest situations.
  6. Board directors have a duty of loyalty and a fiduciary duty to act in the best interest of the Association. The board president, and the board where appropriate, will deal with conflict of interest situations of board directors where they cannot be managed or resolved between the involved board director and the board president utilizing this policy.
  7. The Board bears great responsibility for the integrity and good name of the Association and the trust of partners and members. The board therefore has a special responsibility for ethical matters. The board is also ultimately responsible for policy and should evaluate the effectiveness of the policy annually and review the conflict of interest policy itself at least every five years.

## **5. REPORTING**

Board directors, staff or volunteers will report conflicts of interest to the board president or executive director and complete the Conflict of Interest Disclosure Statement

## **6. REVIEW**

Policy to be reviewed every four years.

## **7. RELEVANT REFERENCE MATERIAL**

7.1 Conflict of Interest Disclosure Statement

