



POLICY NUMBER:	GP - 15
ISSUING AUTHORITY:	Board of Directors

ISSUE DATE:	January 30, 2013
REVIEW DATE:	August 2, 2017
REVISE DATE:	September 27, 2017

SUBJECT: Governance Process
CONFLICT OF INTEREST

POLICY:

1. In accordance with RHA General By-Law No. 1, Section 54, Directors adhere to the [current] Conflict of Interest policy developed by Manitoba Health, see attached Appendix A. Departures from the conflict of interest policy are reported by the Board Chair to the Minister.
2. The Board minutes record all declarations of conflict of interest.

APPENDIX "A" CONFLICT OF INTEREST POLICY

PART I - GENERAL PRINCIPLES

Directors of Regional Health Authority (RHA) Boards (Directors) are charged with the responsibility of allocating and managing community health resources including the spending of public tax dollars. Thus, Directors are expected to maintain high standards of integrity, impartiality and ethical conduct. Directors must be vigilant to prevent any actual or perceived misconduct, predisposition or conflict of interest. Further, Directors should conduct their personal business affairs so as to avoid an obligation to any person who might benefit from special consideration or favour on their part.

It has been recognized that Service Providers (see definition of "Service Provider" below) can be a valuable addition to RHA Boards. However, due to their unique situation, confusion may arise as to when such individuals are in a conflict situation. This policy seeks to provide some clarity in this regard, attempting to minimize conflict situations, while enabling these individuals to have meaningful participation on the Regional Health Authority Board.

PART II – DEFINITIONS

1. In these Guidelines:

"actual or perceived conflict of interest" means a situation in which a Director has an employment, business or personal interest which results or appears to result in an interference with the objective exercise of his/her duties.

"Associate" means

- (i) a corporation of which the Director beneficially owns, directly or indirectly, more than 10% of any class of voting equity securities of the corporation that are outstanding at the time;
- (ii) a partner, other than a limited partner, of the Director;
- (iii) a trust or estate in which the Director has a beneficial interest or serves as a trustee or in a capacity similar to a trustee;
- (iv) a parent or child of the Director; or
- (v) any other individual who has the same residence as the Director.

"person" includes individuals, bodies corporate, corporations, companies, partnerships, syndicates or any number or aggregate of persons.

"Service Provider" means individuals, who provide health services in the health region of the RHA, including employees and members of the Medical Staff of the RHA or a health corporation in the RHA's health region or a community care organization substantially funded by the RHA. (NOTE: RHAs that do not have health corporations and/or substantially RHA funded community care organizations in their health regions may delete references to such entities in their policies)

PART III - ACTUAL, POTENTIAL OR PERCEIVED CONFLICT OF INTEREST SITUATIONS

Examples of actual, potential, or perceived conflicts of interest include, but are not limited to:

A. General

- (i) A Director or an Associate of a Director holds any office, or has a significant beneficial interest in any firm, corporation or other entity which conflicts with the Director's duties to the RHA.
- (ii) A Director accepts any fee, commission or other compensation for representing the interests of another person in a matter before the RHA.
 - (ii.1) An Associate of a Director, lobbying the RHA on behalf of any person or in relation to a matter or representing the interests of another person in a matter before the RHA.
- (iii) A Director or an Associate of a Director has investments, agreements or undertakings with a supplier, customer, company, organization, corporation, partnership or other commercial entity which has a business interest present or prospective with the RHA.
- (iv) A Director or an Associate of a Director is a contractor or consultant for the RHA or is an employee, contractor, consultant, guarantor of a surety for, or a creditor of any supplier, customer, company, organization, corporation, partnership or other commercial entity which has a business interest, present or prospective, with the RHA. This would not include Service Providers.
- (v) Acquisition or considering the acquisition of real or other property of present or prospective interest to the RHA by a Director or an Associate of a Director.
- (vi) A Director or an Associate of a Director seeks or accepts loans, services, payments, commissions, fees, entertainment or gifts, either directly or indirectly, from a supplier, customer, company, organization, corporation, partnership or other commercial entity which has a business interest, present or prospective, with the RHA. *This does not apply to loans from banks or other financial institutions at terms and conditions generally available to the public.*
- (vii) A Director:
 - * Using or appearing to use, or revealing without approval of the RHA Board to persons outside the RHA, for personal gain, any confidential or restricted information acquired during the course of an individual's service which is not generally available to the public;
 - * Using or permitting others to use the RHA's assets, resources, staff, property, equipment, materials or time for personal gain;
 - * According preferential treatment to friends, relatives or to organizations in which friends or relatives have an interest, financial or otherwise;

* Acting in any official matter where there is a personal interest which is incompatible with an unbiased exercise of judgement;

* Using the influence of his/her office in such a way as to lend credence or prestige to the sponsorship of a political party or cause or endorse without proper authorization of the RHA Board, a product or service of a supplier, customer, company, organization, corporation, partnership or other commercial entity which has a business interest, present or prospective, with the RHA;

* Using the influence of his/her office in such a way as to interfere with the objective exercise of another Director, employee or contractor's responsibilities.

(viii) An Associate of a Director:

* Using or appearing to use, or revealing without approval of the RHA Board to persons outside the RHA, for personal gain, any confidential or restricted information that would have been acquired by the Director during the course of his or her service which is not generally available to the public;

* Using or permitting others to use the RHA's assets, resources, staff, property, equipment, materials or time, where the Associate is not employed by or otherwise authorized by the RHA to do so;

* Stating that the RHA and/or the Director will accord preferential treatment to friends, relatives or to organizations in which friends or relatives have an interest, financial or otherwise.

B. Service Providers

(i) Participating in decisions regarding issues that are specific to the office, facility, and/or place of work of the Director and/or the program in which the Director works, including:

* disciplinary action, performance issues, etc. relating to an employee or member of the Medical Staff at the office, facility, and/or place of work or who provides services in the same program as the Director

* hiring of individuals with whom the Director will have a direct reporting relationship

* audits, reviews, investigations, etc. relating to the office, facility, place of work and/or program of the Director

* restructuring in the office, facility, place of work and/or program of the Director

This would not include matters that are of a general application in the health region.

(ii) Discussions relating to collective bargaining that will impact on negotiations with the bargaining unit representing the Director.

(iii) Where the Director is employed by, and/or is a member of the Medical Staff of a non-devolved health corporation within the health region, discussions/decision-making relating to negotiations with non-devolved health corporations of the same type.

PART IV - REQUIREMENTS FOR DISCLOSURE

Directors of an RHA Board are responsible for disclosing any situation where they may have an actual, potential or perceived conflict of interest.

In relation to matters which are discussed and voted on by the Board, e.g. contracts and transactions and/or proposed contracts and transactions, disclosure of actual, potential or perceived conflicts of interest shall be made by a Director:

- (i) at the Board meeting at which the matter involving the actual, potential or perceived conflict is first considered; or
- (ii) if a Director is not in an actual, potential or perceived conflict of interest situation at the time described in i), at the first Board meeting which is held after s/he becomes aware of the actual, potential or perceived conflict; or
- (iii) where an actual, potential or perceived conflict of interest situation arises with respect to a contract or transaction after it is made, at the first Board meeting held after the situation arises; or
- (iv) if an individual who is not a Director but who would have an actual, potential or perceived conflict of interest if s/he were a Director later becomes a Director, at the first meeting after s/he becomes a Director.

Where an actual, potential or perceived conflict of interest comes to light during a meeting of a committee of an RHA Board, the Director shall report the matter to the committee, and the committee shall decide whether the Director should be excluded from any discussion and vote on the matter within the committee until the Board disposes of the matter. The committee Chair shall report the matter to the Board Chair, who shall decide whether to hold a special meeting to dispose of the matter or to wait until the next meeting of the RHA Board.

All potential, actual or perceived conflicts of interest which do not pertain to matters which would be the subject of any discussion or vote by the Board, e.g. a Director who has used his/her office in a manner which compromises the integrity of the Board, shall be reported in writing by the Director to the Board Chair as soon as s/he becomes aware of it or shall be acted on by the Board as soon as the Board becomes aware of it.

Where a Director is unsure if there is an actual, potential or perceived conflict of interest, it is his/her responsibility to seek clarification by submitting the matter to the RHA Board for review.

PART V - DISPOSITION

In dealing with an actual, potential or perceived conflict of interest reported by a Director or that was not reported by the Director, but that the RHA Board feels could be a conflict of interest, the RHA Board (with the exception of the affected Director) shall decide by majority vote whether an actual or perceived conflict of interest exists.

If the Board finds that an actual or perceived conflict of interest exists in relation to a matter that is to be the subject of discussion and vote by the Board, the Board (with the exception of the affected Director) shall vote on whether the conflict is of a nature that would require the exclusion of the Director from any

discussion and vote on the matter to maintain the integrity of the Board. In order for the Director to be allowed to participate in the discussion and vote on the matter, the Board, by a 2/3 vote must find that the actual or perceived conflict of interest does not require the exclusion of the Director. Where the Board considers it necessary, the Board shall also vote on what additional action should be taken to maintain the integrity of the Board.

Where the Board finds that an actual or perceived conflict exists in relation to a matter which would not be the subject of any discussion and vote by the Board, the Board (with the exception of the affected Director) shall vote on what action should be taken to maintain the integrity of the Board.

Any resolution to recommend the removal of a Director from the Board because of a conflict of interest must be approved by a 2/3 vote of the Board.

All actual, potential or perceived conflicts shall be recorded in the minutes of the meeting at which they are reported and dealt with, and in a separately filed summary report which outlines: the general nature of the actual, potential or perceived conflict of interest, and the RHA Board's disposition of the matter.

Disclosures of conflict of interest situations must be reviewed and updated once annually at an RHA meeting and, must be updated immediately by an affected Director where a change occurs which alters the nature or degree of the conflict, subsequent to a declaration being made.

Appeals

A Director who disputes the findings and/or instruction of the RHA Board following a conflict of interest disclosure, may appeal to the Minister.

The Minister may rule on the appeal, refer the matter to another agency, such as the Manitoba Health Appeal Board, or appoint an independent arbitrator to review the matter and the basis of the appeal.

A Director at his/her option may have a representative present at the appeal.

PART VI - DISCIPLINARY ACTION

Departure from any of the constituents of this policy by a Director, without the specific prior approval of the RHA Board, may be cause for removal of the Director from the Board.