 <b>BOARD POLICY</b>	<b>Policy #:BG-001</b>	<b>TYPE:</b> <b>Governance Process</b>
	<b>Effective Date: June 25, 2002</b> <b>(Minute #: 02.06.12)</b>	
<b>CONFLICT OF INTEREST POLICY</b>	<b>Reviewed: September 24, 2009</b>	
	<b>Minute #: .09.09.12</b>	

## POLICY STATEMENT

All members of the Addictions Foundation of Manitoba's (AFM) Board of Governors (Board) must maintain high standards of honesty, integrity, impartiality and ethical conduct. Board members have a responsibility to refrain from engaging in any financial, business or personal conduct which might result in, or create the appearance of using their position for private gain for themselves or a related/associated party.

## CONTEXT

AFM's Board of Governors directs and administers the affairs of the AFM in accordance with *The Addictions Foundation of Manitoba Act*. The Board is responsible for executive, consultative and fiduciary functions, which may include the expenditure of public funds. Thus, Board members are expected to maintain high standards of integrity, impartiality and ethical conduct.


The principles underlying conflict of interest rules are impartiality and integrity: a Board member cannot be perceived as being impartial and acting with integrity if he/she could derive a personal benefit from a Board decision, even if such benefit was not intended.

In addition to avoiding **actual** conflicts of interest, members of the Board must also avoid situations of **potential** or **perceived** conflicts of interest \*. These include situations that could cause the public to doubt the objectivity of a member's actions, and/or, where there would be reasonable grounds for concern that the conduct of a Board member could be influenced by inappropriate considerations. \*Appendix A provides definitions of actual, potential and perceived conflicts of interest.

## PRINCIPLES

Board members are expected to act in a manner which fosters public trust by:

1. Not divulging confidential or restricted information to any unauthorized person or release such information in advance of authorization for its release.
2. Not acting in any official matter where there is a personal interest which is incompatible with an unbiased exercise of official judgment.
3. Not having direct or indirect personal business or financial activities which conflict with their official duties and responsibilities.
4. Not placing themselves in a position where they are under obligation to any person or organization who might benefit from improper consideration or favour on their part or seek in any way to gain improper treatment from any person or organization in the discharge of their official duties and responsibilities.

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## DISCLOSURE

It is the ongoing responsibility of individual Board members to disclose to the Board Chair any situation where they have a conflict of interest or the foreseeable potential for a conflict of interest.

### Disclosure Process:

Disclosures of conflict of interest situations must be made as soon as the Board member becomes aware of the conflict of interest (actual, potential or perceived). Disclosures may be completed in writing and addressed to the Board Chair, for Board consideration. In situations where the conflict of interest situation involves the Chair, the disclosure should be addressed to the Executive Policy Committee (EPC).

In the event that a Board member is unsure whether a conflict of interest exists (actual, potential or perceived), the affected Board member is responsible for seeking clarification by submitting the matter to the Board for review.

In situations where the member declares a conflict of interest, the member will excuse him/herself and abstain from all discussions and decision-making activities relating to the issue. This will be duly noted in the Board Minutes.

Disclosures of conflict of interest situations must be:


- reviewed and updated annually at a Board meeting.
- updated immediately by an affected member where a change occurs which alters the nature or degree of the conflict.

### Disposition

In dealing with an actual, potential or perceived conflict of interest reported by a member, the Board (with the exception of the reporting member) shall decide by majority vote whether an actual, potential or perceived conflict of interest exists.

If the Board finds that a conflict of interest exists, the affected Board member will be disqualified from participation in all discussions and decision-making activities relating to the matter in question.

All actual, potential or perceived conflicts shall be recorded in the minutes of the meeting at which they are reported. In addition, a summary report outlining the general nature of the actual, potential or perceived conflict, along with the Board's disposition of the matter, will be filed with official Board records.

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### **Appeals**

Following a conflict of interest disclosure, a Board member who disputes the decision of the Board has the right to appeal the decision. Appeals must be made in writing and clearly state the affected member's rationale for the appeal.

Appeals will be heard by a 5 person special committee, comprised of the Board chair and 4 impartial individuals, external to the Board. The selection of the special committee will be on a case-by-case basis and efforts should be spent ensuring the Board Chair and the affected member agree on the composition of the committee.

Where possible the Board will review the appeal within 30 days and advise the affected member of the decision in a timely manner. All decisions made at the appeal level are final.

The item in question shall be tabled until after a decision has been made through the appeal process.

### **Disciplinary Action**

Departure from any of the constituents of this policy may cause for a recommendation to remove the affected member from the Board.


### **KEY CONSIDERATIONS**

To protect the integrity of the Board, a member who is aware of a possible conflict of interest situation (actual, potential or perceived) of another Board member has an obligation to report this to EPC. EPC will investigate the situation and recommend the appropriate next steps. Due to the unique and sensitive circumstances of such a situation, cases will be dealt with on a case-by-case basis.

### **History:**

**Reviewed and Amended October 2, 2009** to clarify definitions for "actual" and "perceived" could be found in Appendix "A".

Reviewed September 24, 2009 - Board Minute No. 09.09.12

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**Appendix A:**

**Conflict of Interest Definitions**

<b>DEFINITIONS</b>
<p><b>Actual Conflict of Interest</b> An actual conflict of interest exists when an employee has a private economic interest that is sufficient to influence the exercise of his/her official duties or responsibilities</p> <p><b>Potential Conflict of Interest</b> A potential conflict of interest exists when an employee finds himself /herself in a situation in which the existence of some private economic interest could influence the exercise of his/her official duties/responsibilities</p> <p><b>Perceived Conflict of Interest</b> A perceived conflict of interest exists when there is a reasonable apprehension, which reasonably well-informed persons could properly have, that a conflict of interest exists</p>