

THIS IS SCHEDULE "G"
(Conflict of Interest Policy and Guidelines)

**TO A SPONSOR MANAGEMENT AGREEMENT
MADE BETWEEN
THE MANITOBA HOUSING AND RENEWAL CORPORATION
AND
[REDACTED]
EFFECTIVE ON THE [REDACTED]**

I. INTRODUCTION

The Manitoba Housing and Renewal Corporation (MHRC) in coordination with the Province of Manitoba is charged with the responsibility of protecting the public interest, particularly in regards to accountability for the spending of tax dollars. External agencies are perceived by the public as extensions of government. As such, board of governors and employees of external agencies delivering services on behalf of government are accountable to the public and are particularly vulnerable to charges of conflict of interest. As a funder of many external agencies, the Province of Manitoba expects agencies to adopt the following conflict of interest policy and guidelines for their board of governors and employees.

By stating clearly the standards of conduct expected of board members and employees, the guidelines serve as a preventative measure so board members and employees do not inadvertently place themselves in a position of perceived, potential or actual conflict of interest. Furthermore, the sections dealing with disclosure and appeals provide for avenues to clarify and resolve issues before they become a problem.

The aim of the conflict of interest guidelines is to strike a balance between legitimate protection of public interest and the protection of the board members' and employees' personal and professional interests.

It is the responsibility of the board of governors to ensure that these guidelines are communicated to all board members and employees of the individual external agencies and to establish procedures for ensuring compliance with the standards set out in the policy and guidelines.

II. POLICY STATEMENT

The Province of Manitoba expects boards of governors and employees of external agencies which it funds to maintain high standards of integrity, impartiality and ethical conduct. Board members and employees must be constantly aware of the need to avoid situations which might result either in actual, potential or perceived misconduct, or conflicts of interest and to conduct themselves in a manner which commands the respect and confidence of their fellow citizens.

This policy, including disclosure requirements, applies to the board of governors and all employees of external agencies. The policy and guidelines contained herein should complement rather than replace the provisions of relevant legislation, or any other statute,

collective agreement, rule or statement which applies to board of governors or employees of external agencies, and in the event of a conflict, relevant legislation shall govern and supersede this policy.

III. **DEFINITION**

A conflict of interest is any situation in which a board member or employee of an external agency has an employment, business or personal interest which results or appears to result in:

- i) an improper material interest or an advantage by virtue of the person's position;
- ii) an interference with the objective exercise of the person's duties.

A material interest includes any matter or situations where a board member or employee has a direct or indirect financial or other interest beyond the interest of an ordinary citizen.

IV. **REQUIREMENTS FOR DISCLOSURE**

Board of governors and employees of external agencies are responsible for disclosure of any situation or matter where they have an actual or perceived conflict of interest or the potential for a conflict of interest.

Conflict of interest declarations should be filed annually at a minimum or updated immediately where:

- i) an actual, potential or perceived conflict situation arises where none existed previously;
- ii) change occurs which alters the nature or degree of the conflict, subsequent to a declaration being made.

Where a conflict of interest has been found to exist, the board member or employee, if necessary, will be required to take steps to avoid the conflict of interest. As well, where a perceived or potential conflict situation may exist, the board member or employee will be provided with advice on what steps need to be taken to remove the perception of or other potential for a conflict of interest.

- 1) Where a board member is unsure whether any conflict of interest may exist, it is his/her responsibility to seek clarification from the board of governors.

A board member shall disclose in writing to the board of governors, or request to have entered in the minutes of meetings of the board of governors, the nature and extent of his/her interest.

The board of governors shall decide by majority vote of other members at the meeting whether a perceived or actual conflict of interest exists in the case of a board member.

No board member shall be present during any discussions of the board or vote on any matter where it has been decided that a material interest exists. The minutes of the board meeting shall in each case record the member's disclosure of interest and the fact he/she took no part in the discussion or decision. In addition, the

board member must refrain from attempting, directly or indirectly, to influence the decision of the board.

- i) The board of governors may choose to delegate to an executive committee of the board, the authority to decide whether a material interest exists for board members.
 - ii) If the executive committee of the board cannot decide, the matter shall be referred to the full board for decision.
- 2) Where an employee is unsure whether any conflict of interest may exist, it is his/her responsibility to seek clarification from the board of governors or the board's delegate.

An agency employee shall disclose in writing to the board of governors, or the board's delegate, the nature and extent of his/her interest.

The board of directors shall decide by majority vote whether a perceived, potential or actual conflict of interest exists in the case of an employee.

- i) The board of governors may choose to delegate to the executive director or executive management committee, the authority to decide whether a material interest exists for employees, subject to a quarterly review and ratification of those decisions by the board.
- ii) If the board's delegate cannot decide, the matter shall be referred to the board of governors for decision.

No employee shall participate in negotiations, decision-making or activities where it has been decided that a material interest exists.

V. **GUIDELINES**

The range, complexity and unique nature of individual external agencies' activities are such that it is not possible to outline all conflict of interest situations.

- 1) Board members and employees shall not engage directly or indirectly in any personal business transaction or private arrangement for personal profit which accrues from or is based upon their official position or authority or upon confidential or non-public information which they gain by reason of such position or authority.
- 2) Board members and employees shall not divulge confidential or restricted information to any unauthorized person or release such information in advance of authorization for its release.
- 3) Board members and employees shall not act in any official matter where there is a personal interest which is incompatible with an unbiased exercise of official judgement.
- 4) Board members and employees must declare where they have direct or indirect personal business or financial activities which conflict with their official duties and responsibilities.

- 5) Board members and employees shall not place themselves in a position where they are under obligation to any persons who might benefit from special considerations or favours on their part.

VI. **APPEALS**

A board member who disputes the manner of application of these guidelines within his/her agency may appeal such application to an independent arbitrator agreed to by both parties.

An employee who disputes the manner of application of these guidelines may appeal such application to the board of governors.

A board member or employee, at his/her option, may have a representative present at the appeal.

VII. **DISCIPLINARY ACTION**

Departure from any of these rules by board members, without the specific prior approval of the majority of board members, may be cause for dismissal from the board.

Departure from any of these rules by employees, without the specific prior approval of a board of governors, or board's delegate, may be cause for disciplinary action.

VIII. **SPECIFIC PROVISIONS FOR AGENCIES**

While the guidelines mentioned in Section V should be sufficient to protect against conflict of interest in a vast majority of cases, individual agencies may wish to develop more specific conflict of interest guidelines in addition to those in Section V. In certain cases, the Minister may request more specific conflict of interest guidelines. These additional guidelines may also be necessary in response to particular statutory requirements, specific operational requirements, problems unique to a particular agency or at the request of Government.

On request, additional guidelines developed under Section VIII should be made available to Government for approval prior to distribution and implementation.

