

Policy 4 Appendix C: Code of Conduct

CONFLICT OF INTEREST PROTOCOL

Purpose and Policy

This protocol is intended to preserve and promote the reputation of both the NWSD School Board and the individual school board members. It is inevitable that conflicts of interest and loyalty will arise from time to time. The purpose of this protocol is to give school board members a clear road map to follow to help to identify and track these inevitable situations. The main point is that conflicts are not the problem, they are unavoidable, it is undeclared or undisclosed conflicts that are a problem and should be avoided; disclosure is the key.

A conflict of interest arises when a board member has a private, financial, or material interest (for example, a transaction, contract, business opportunity, or employment) that the NWSD School Board also has a material interest in.

Board members should not have any private, financial, or material interest in contracts involving the NWSD School Board. If a board member violates this protocol they will be subject to a sanction.

A conflict of loyalty may arise when the interests of a board member have the potential to be at odds with the best interests of the NWSD School Board (i.e., a board member being an officer or employee of a major supplier, customer or stakeholder of the NWSD School Board, a board member having a material relationship with another Board member, a board member having a close affinity with a party that could benefit or suffer loss from a transaction being considered by the NWSD School Board)

- A conflict of loyalty does not exist only when interests are at odds, but when there is the potential for interests to be at odds.
- A conflict of loyalty exists in the context of the best interests of the organization. This means that it is not sufficient for the organization to benefit, but how the decision is made is also of importance. It is important that the decision is made by the right individual or group, in an objective and informed manner, and according to all policies of the organization.
- Board members are expected to follow the spirit and the intent of benefiting the organization, not just avoiding costs or losses to the organization.

Protocol Principles

In carrying out their duties, board members of NWSD School Board shall:

- 1. Private Interests**

Disclose fully any private interests that could be affected by the NWSD School Board's actions or that could put the ethical practice of the NWSD School Board at risk.

2. **Public Interest**

Arrange their private affairs in a manner that will prevent real, potential or apparent conflicts of interest and loyalty from arising; but if such a conflict does arise between the private interests of an individual and the official duties and responsibilities of that individual, the conflict shall be disclosed and resolved in favour of the interest of the NWSD School Board.

3. **Preferential Treatment**

Not step out of their official roles to assist private entities or persons in their dealings with the NWSD School Board where this would result in preferential treatment to any person or organization.

- Board members of the NWSD School Board must not be compromised by an obligation to anyone who may benefit from special consideration with respect to NWSD School Board matters.

4. **Gifts and Benefits** Not solicit or accept a transfer of economic benefit, other than incidental gifts, customary hospitality, or other benefits of nominal value (defined as less than \$100 per year) from persons, groups or organizations having, or likely to have, dealings with the NWSD School Board.

5. **Insider Information**

Not knowingly take advantage of, or benefit from, material information that is not generally available to the public that is obtained in the course of their official duties and responsibilities.

- Board members of the NWSD School Board must not use their position or influence to secure employment, funding or special treatment for family members or business associates.

Annual Declaration

Each board member shall annually (every 12 months) review and execute Appendix D: Annual Declaration of Potentially Conflicting Interests [Annual Declaration] to declare in writing the existence of any confirmed or potential conflicts of interest.

If a Board member becomes aware of a potential or confirmed conflict, after execution of their most recent Annual Declaration, that Board member shall update their Annual Declaration at the next regular meeting of the Board.

Process

All activities involving business, commercial or financial interests, whether potential or apparent, which may conflict with the interest of the NWSD School Board or the duties of the individual, must be promptly disclosed to the NWSD School Board.

In the case of a direct pecuniary conflict of interest, this must be treated as below; in the case of a potential or perceived conflict of loyalty, the Chair [Vice-Chair or Designate in the case of a breach involving the Board or Vice Chair] must rule on whether this should be treated as below, and the Chair [Vice-Chair or Designate in the case of a breach involving the Board or Vice Chair] may consult with the Governance Committee and/or legal counsel in reaching this ruling.

Subject to the following, conflicted board member shall refrain from participating in the matter further, including not voting on the consideration or approval of any contract, grant, award, contribution, construction project or situation involving a conflict, whether potential or apparent, which includes their participation, directly or indirectly.

- Except as prescribed below, board members must not be involved in any business, commercial or financial transaction with the NWSD School Board other than as a recipient of a legitimate payment as periodically approved by the Board. Any board member seeking employment or involved in a remunerative relationship (i.e., business, commercial or financial transaction) with the NWSD School Board shall resign from the Board. No board member shall hold a seat on the Board while employed by the NWSD School Board at the same time.
- A board member may seek a remunerative relationship with the NWSD School Board, without having to resign from the Board, if the remunerative relationship is for goods and services and:
 - i. The goods and services are not readily obtainable from other persons in the NWSD school division;
 - ii. The price of goods and services to be obtained is reasonable; and
 - iii. Every member of the NWSD School Board eligible to vote at a meeting votes in favour of the employment or the remunerative relationship.

The Governance Committee is responsible for implementing and enforcing this protocol.
Review: According to the Governance Committee terms of reference.