

NORTHERN COUNCIL FOR GLOBAL COOPERATION: CONFLICT OF INTEREST POLICY

Preamble

Effective non-profit governance depends on deliberate, thoughtful, and fair decision-making by Board members. The ability to make good decisions is sometimes affected by other interests - personal or professional - of individual Board and committee members. One cannot eliminate conflicts of interest - they are a regular part of organizational and personal life. The objective of this policy is to permit NCGC to manage potential conflicts of interest successfully, when they do occur, in regards to Board and committee members.

Definition

A conflict of interest arises when a person able to influence a decision, whether by official vote or moral and/or intellectual persuasion, is liable to gain:

- some personal advantage from the outcome of the decision in which they are involved, and/or
- some advantage for an organization with which the individual is directly involved.

A conflict of interest also arises when as individual Board or committee members outside duties, interests or obligations may or do differ fundamentally from their obligations as a member of the Board, a committee or working group of NCGC.

Assumptions

No Board or committee member shall use their position, or the knowledge gained therefrom, in such a manner that a conflict between the interest of NCGC or any of its affiliates and their interests arises but is not disclosed.

When functioning as an NCGC or committee member, each person has a duty to place the interest of NCGC foremost in any dealings with NCGC and has a continuing responsibility to comply with the requirements of this policy.

Board and committee members are not eligible for employment or service contracts with NCGC or its affiliates during their tenure. If a Board or committee member wishes to apply for a permanent position at NCGC, they must immediately withdraw from active participation on the Board or committee. If the Board or committee member is the successful candidate, they must resign from the Board or committee upon accepting the position.

Any Board or committee member who becomes aware of a potential conflict of interest with respect to any matter coming before the Board, committee or working group shall make this potential conflict known immediately in any discussion relating to the matter.

Decisions taken by the Board, committees or working groups, regarding the management of a conflict of interest, must not only be fair, they must be seen to be fair.

Procedure

When an actual, perceived or potential conflict is identified by any person, the following action must be taken:

- The Board or committee member identifies the actual, perceived or potential conflict;
- The Board or committee member must fully disclose the conflict to the Chairperson and, where appropriate, to all Board or committee members;
- The Chairperson shall develop an appropriate response, including where necessary, disqualification from voting and discussion and any necessary remedial action. For example, if a vote may have been affected by a previously undeclared conflict of interest, it may be necessary to hold that vote again.

Where a potential conflict of interest is identified, the following options may be considered and combined as appropriate:

- The Board or committee member with the conflict should not be involved in any aspect of the decision-making process.
- They may be present and/or participate in discussions but refrain from voting.
- They will absent themselves from any discussions in connection with the matter in question.
- They may participate in initial discussions and then be asked to leave for further discussions before the vote.
- They may vote or be present for the vote, but the vote will be done by confidential ballot.
- They may participate fully.

The Board, committee or working group must agree in majority on the option or combination of options to be taken in any given conflict of interest situation.

Any Board or committee member may ask for a decision to be taken by secret ballot when dealing with a matter where there is a conflict of interest.

The official minutes of the meeting must record the potential conflict of interest and how it was avoided and/or dealt with.

When there is a failure to agree on whether a conflict of interest exists and/or how it is to be managed, the Chairperson (or if the potential conflict of interest involves them, the vice-chairperson) may seek legal counsel.

Common Sense Provision

The application of any part of this policy shall rely heavily on the common sense of the group as a whole. Conflict of interest circumstances vary and the judgement and flexibility of the Board, committee or working group must be preserved.

Examples

Some examples of situations which may indicate a conflict of interest are:

- Where a Board or committee member is in a position to influence the creation of employment or a service contract and then becomes a candidate for such a position or contract.
- Where a member of the Board or committee influences the selection of a supplier of goods and/or services and the member has an ownership interest in that supplier.
Where a Board or committee member uses NCGC's name and resources for personal benefit.
- Where a Board or committee member could influence the giving of a grant, funds or project approval that would benefit them or an organization they are associated with as staff or volunteers.