

GP 11: Conflict of Interest

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Council Governance

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GP 11

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Every Five Years

PREAMBLE

This Policy applies to all Council and committee members.

This policy has been established with the goal of acting in a manner that reflects transparency and professionalism in regulating the practice of pharmacy and governing registrants of the CPhM in a manner that serves and protects the public interest.

This Conflict of Interest Policy is intended to promote the highest standards of public trust and integrity while protecting Council and committee members by providing the means to avoid, declare, investigate, and resolve situations that may place them in a conflict of interest. Regardless of outside affiliations and interests, each member of Council and committees has a duty to always act in the best interest of the CPhM and the public.

All Council and committee members have a duty to carry out their responsibilities in a manner that serves and protects the interest of the public. As such, they must not engage in any activities or in decision-making concerning any matters where they have a conflict of interest.

PURPOSE

To assist Council members and Committee members to recognize situations in which they have an interest that competes or conflicts with their roles as Council members and Committee members.

To provide a procedure to deal with potential, perceived or actual conflicts of interest.

POLICY

1. What is a conflict of interest?

Each Council member and Committee member is required to act in a manner that serves and protects the interest of the public. At times, a Council member's or Committee member's direct or indirect personal, professional or financial interest may compete with the interest of the public. This is referred to as a conflict of interest. **Each Council member or Committee member has a duty to avoid conflicts of interest.**

A conflict of interest exists where a reasonable person would conclude that a Council member's or Committee member's personal, professional, or financial interest, or their participation in an arrangement or agreement may affect their judgement or the discharge of their duties to the CPhM. **A conflict of interest may be real or perceived, actual or potential, direct or indirect.**

Any member of Council or a committee (pharmacy professionals, public representatives, and ex-officio) may have a conflict of interest.

i. Conflict of Interest

As each Council member and Committee member has both a fiduciary relationship with the CPhM and an obligation to act in the public's best interests, the appearance of a conflict of interest can be equally as important as an actual conflict of interest. Council members and Committee members recognize that a conflict of interest by a member of Council or its Committees:

- a. Could bring discredit to the CPhM
- b. Could amount to a breach of the fiduciary obligation of the person to the CPhM, and
- c. Could create liability for either the CPhM and / or the person involved.

ii. Advocacy Groups

Professional advocacy groups serve, at least in part, to promote a profession. The CPhM serves to protect the public. Given the different mandates of these groups, the high probability of many reoccurring conflicts, and the perception of the public that these two groups are in conflict, Council members and Committee members holding a responsible position in a professional advocacy group are considered to have a conflict.

Council members and Committee members are required to declare professional advocacy membership and positions held in any professional advocacy group. Council members and Committee members holding a responsible position in a professional advocacy group shall be disqualified from sitting on Council or a Committee.

iii. Personal, Professional and Financial Interest

When a Council member or Committee member or her or his family member would personally, professionally, or financially benefit materially more than other Council members and Committee members, the Council member or Committee member has a personal, professional or financial interest in the matter and is in conflict.

2. Disclosure of possible conflicts of interest

A Council member or Committee member must disclose to the Council or Committee when they believe that they may have a conflict of interest on a specific matter.

The Council member or Committee member may consult with the Chair or the Registrar if there is any doubt about whether they may have a perceived conflict.

3. When to disclose a conflict of interest

A Council member or Committee member must disclose a possible conflict of interest immediately:

- Upon reviewing the materials sent to a Council member or Committee member prior to a meeting, the Council member or Committee member will review the materials and should they believe that they may have a conflict of interest on a specific matter, they will contact either the Chair or the Registrar to disclose the potential conflict of interest.

- If a Council member or Committee member was not present at the Council meeting or Committee meeting when the matter in which the Council member or Committee member is in conflict was initially considered, the Council member or Committee member must disclose the conflict at the next meeting.
- If a Council member or Committee member develops a conflict in a matter following the initial consideration of a matter, the Council member or Committee member must disclose the conflict at the first meeting following the development of a conflict.
- If the Council member or Committee member develops a conflict after a financial contract transaction is made, the Council member or Committee member must disclose the conflict at the first meeting following the development of a conflict.

4. Failure to disclose conflict of interest

Where it has been determined that a Council member or Committee member has not declared a conflict of interest, the Council will consider the extent of the non-compliance and the need for redress. Non-compliance deemed by Council to be materially contrary to public trust, detrimental to the CPhM, or potentially harmful to the integrity or fundamental mandate of the CPhM, will be handled as discussed in the Code of Conduct Policy.

Ongoing failure to disclose and resolve a conflict of interest may result in removal of the committee member from a committee, disqualification of an appointed pharmacy-professional Council member, or a request to the Minister of Health to remove the appointed public-representative Council member. Furthermore, a failure to disclose a conflict of interest may constitute a breach of Oath of Office.

5. Procedure

- i. Each meeting of Council or a committee of the CPhM will contain a standing agenda item for verbal declarations of a conflict of interest.
- ii. A Council member or committee member who believes they will be in a conflict of interest with an agenda item, must declare the conflict of interest before that item is dealt with by Council or committee.
 - a. The disclosure shall contain a description of the nature and extent of the conflict. The Council or Committee will have the opportunity to ask questions of the Council member or Committee member to clarify the nature and extent of the conflict.
 - b. Where it is determined that there is a conflict of interest, the fact of the conflict of interest shall be recorded in the minutes or meeting notes. The nature and extent of the Council or committee member's interest may, but does not have to be, recorded as part of the public record of the CPhM.
- iii. Should the Council member or Committee member be unsure if they have a conflict of interest:
 - a. The Council member or Committee member will absent themselves from the room;

- b. The Council or Committee will deliberate and discuss whether there is an appearance of a conflict. The Council or Committee will decide whether there is an appearance of a conflict of interest and provide the Council member or Committee member with the direction; and,
 - c. The Council member or Committee member will accept the direction of the Council or Committee as to whether there is an appearance of a conflict of interest and the direction will be recorded in the minutes or meeting notes.
- iv. Upon the direction that there is not an appearance of a conflict of interest, the Council member or Committee member may continue to fully participate in the Council meeting or Committee meeting.
- v. The Council member or Committee member has an ongoing obligation to provide any new material facts or material facts that were not previously disclosed in regard to the matter as soon as these facts are recognized to be relevant.
- vi. Upon the direction that there is an appearance of a conflict of interest or upon a Council member or Committee member declaring that she or he has a conflict of interest:
 - a. The Council member or Committee member will absent themselves from the portion of the meeting relating to the matter and the absence will be recorded in the minutes or meeting notes.
 - b. The Council member or Committee member will not attempt in any way to influence the voting or do anything that might be perceived as attempting to influence the decision of other Council members or Committee members on the matter; and,
 - c. The Council member or Committee member will not vote or take part in the discussion on any question relating to the matter and the abstention will be recorded in the minutes or meeting notes.
- vi. In the event of financial conflict, a Council member or Committee member will only enter into a contract or transaction with the CPhM on a competitive bid basis.

6. Fundamental Doctrine Governing Conflict of Interest

All Council and committee members (members):

- i. As an Officer and/or Director, have a fiduciary duty to CPhM.
- ii. Have a duty to uphold and further the intent of the *Pharmaceutical Act* C.C.S.M. c. P60 to regulate the practice and profession of pharmacy in Manitoba, and not to represent the views of advocacy or special interest groups.
- iii. Must recognize that even the perceived conflict of interest can bring discredit to the CPhM and should be dealt with in the same manner as an actual conflict of interest.
- iv. Must avoid situations where their interests could become conflicts and must manage conflicts of interest when they arise.
- v. Must immediately declare any conflicts that arise from their involvement with external organizations and take the appropriate action.

- vi. Upon appointment, every member shall acknowledge that they have read and agree with the Conflict of Interest Policy by submitting to the Registrar a completed “Conflict of Interest Policy Agreement,” Schedule A to this policy.
- vii. Must annually complete the Conflict of Interest Questionnaire / Affiliations form provided by the Registrar, Schedule B to this policy. At such time, they shall disclose any other organizations of which they are an owner, director, officer, member, or employee and return it to the Registrar by the date required.
- viii. Who believe that a matter that has come before the Council or their committee, ensure that where there is a conflict of interest, they take the necessary measures to declare the conflict of interest, consult with the Chair as appropriate, decline to take part in the discussion, recuse themselves from the discussion and make no attempts to influence the decision-making of the Council or committee.
- ix. Will declare all conflict of interests, which must be recorded in the minutes of the Council or the meeting notes of the committee where the declaration has been made.
- x. Must refrain from using CPhM property or information of any kind to advance their own interests, either direct or indirect.
- xi. Members will not solicit or accept directly or indirectly for personal benefit, a fee, gift or benefit from a person or organization that conducts business or wishes to conduct business with the CPhM where the fee, gift or benefit could influence or be perceived to influence the performance of their duties.
- xii. Must, when participating in organizations other than the CPhM, including but not necessarily limited to professional advocacy associations, carefully consider the appropriateness and impact of expressing opinions and when deciding to express their opinion, must state that the opinion is their own opinion and not that of the Council or the CPhM.
- xiii. The personal or financial interests of any family member or a close relation (such as a friend or business associate) of a Council member or committee member shall be interpreted to be the interests of a Council member or committee member.

7. Conflict of Interest Checklist

The following is a list items, grouped by topic area, that have potential to create a conflict of interest for an individual serving on Council or committees, or by a family member or a close relation of such individual (such as a friend or business associate).

An individual may use this list as a guide to assist in identifying a conflict, be that real or perceived, actual or potential, direct or indirect.

Affiliations

- Leadership position in a pharmacy or pharmacist-related advocacy organization, including associations, speciality organizations and schools;
- A fiduciary responsibility (e.g., director) in another regulatory body;
- Running for public office.

Financial Conflicts

- Receiving a direct or indirect financial benefit from a stakeholder;
- Spouse, close family member, friend, or business associate receiving a direct or indirect financial benefit.

Other Activities and Relationships

- Providing expert testimony in Court;
- Presentations on pharmacy-related topics;
- Communication with government or political officials on pharmacy or CPhM-related topics;
- Publishing, including on social media, comments on pharmacy or CPhM-related topics;
- Involvement in legal proceedings against the CPhM;
- Advice to or close association with drug manufacturers, pharmacy suppliers, other pharmaceutical-related businesses, and organizations;
- Participation as an investigator in a clinical trial relevant to the CPhM or a committee's mandate;
- Promotion of a product(s) of relevance to the CPhM or a committee's mandate;
- Using CPhM materials for personal or other non-CPhM purposes.

Other Possible Conflicts

- There shall be a one year waiting period for a Council or committee member who wishes to become an employee of the CPhM.
- There shall be a one year waiting period for any employee who wishes to become a Council or committee member.