

### POLICY 1.42 CONFLICT OF INTEREST

A trustee is always expected and required to act in the best interest of the district, without regard to their personal interest. Trustees have an obligation to avoid conflicts of interest, to enable them to remain in a position to provide an unbiased and objective consideration of matters that come before the Board.

Conflicts of interest can arise in a variety of ways, including:

- a direct or indirect pecuniary conflict of interest,
- by virtue of predetermination of a matter coming before the Board, and
- because of a personal interest resulting from circumstances or relationships of individual trustees.

A pecuniary interest is an interest in a matter that could monetarily affect the trustee and includes an indirect pecuniary interest referred to in the *School Act*. The provisions of the *School Act* regarding disclosure do not apply to a pecuniary interest in any matter that a trustee may have by reason of the trustee having an interest in the matter which is an interest in common with electors generally.

In accordance with common law, a trustee is not qualified to vote on a matter in which they have a personal interest that could lead a reasonably well-informed outsider to think that their judgment could be influenced by that interest leading to a reasonable apprehension of bias.

A trustee who has a conflict of interest in a matter before the Board must declare that interest and the general nature of the conflict of interest – and not take part in the discussion, vote or not attempt in any way, whether before, during or after the meeting, to influence the voting on any question in respect of the matter. If the meeting is not open to the public, in addition to complying with these requirements, the trustee shall immediately leave the meeting or the part of the meeting during which the matter is under consideration.

Trustees need to be vigilant in avoiding engagement in discussion, debate, decision-making or being privy to information that can give rise to actual, or perceived, conflicts of interest. Trustees are responsible to make themselves aware of the requirements of the *School Act*. Should a trustee knowingly contravene the requirements of section 58 of the *School Act*, the courts may declare the trustee's office vacant and require financial restitution.

As there are many individual considerations and variations when considering issues of conflict of interest, individual trustees or the Board may wish to seek external legal advice on such matters. In many situations, the individual circumstances must be considered before a determination of conflict can be made.

#### GUIDELINES

1. A Trustee's temporary absence or inability to vote due to a conflict of interest shall not affect the quorum of a meeting.
2. The pecuniary interest of a spouse or of a parent or child of the Trustee shall, if known to the Trustee, be deemed to be also a pecuniary interest of the Trustee.
3. If the pecuniary interest of a Trustee is not disclosed as required above by reason of the Trustee's absence from the meeting, the Trustee shall disclose the pecuniary interest and otherwise comply with the requirements at the first meeting of the Board attended by the Trustee after the meeting referred to above.
4. A Trustee has an indirect pecuniary interest in any matter in which the Board is concerned if the Trustee or the Trustee's nominee:
  - 4.1. is a shareholder in or director or senior officer of a corporation that does not offer its securities to the public; or
  - 4.2. has a controlling interest in or is a director or senior officer of a corporation that offers its securities to the public, and the corporation has a pecuniary interest in the matter.
  - 4.3. Further, a Trustee has an indirect pecuniary interest in any matter in which the Board is concerned if the Trustee is a partner of a person, is a member of a firm or is in the employment of a person or firm that has a pecuniary interest in the matter.
5. The provisions of the *School Act* regarding disclosure do not apply to a pecuniary interest in any matter that a Trustee may have:
  - 5.1. By reason of the Trustee having a pecuniary interest in the matter which is a pecuniary interest in common with electors generally;
  - 5.2. By reason of the Trustee being entitled to receive any indemnity, expenses or remuneration payable to one or more Trustees in respect of the matter;
  - 5.3. By reason only that the Trustee is a member of a Cooperative Association or Credit Union having dealings or contracts with the Board;

- 5.4. By reason only of a pecuniary interest of the Trustee that is so remote or insignificant in its nature that it cannot reasonably be regarded as likely to influence a Trustee.
  
6. If a meeting is open to the public, every disclosure of pecuniary interest and the general nature of it shall be recorded in the minutes of the meeting. If a meeting is not open to the public, the fact that a disclosure of pecuniary interest was made, but not the general nature of that interest, shall be reported to and recorded in the minutes of the next meeting that is open to the public.