

**CANADIAN FOUNDATION FOR HEALTHCARE IMPROVEMENT
GOVERNANCE POLICIES**

Subject: Conflict of Interest	Policy No.: GP-A2.02
Category: Board Governance	Approved: 28 November 2003
Authority: Board of Directors	Last Amended: 24 March 2016
Reviewed by: Governance Committee	Next Review: 2019

Preamble

The Canadian Foundation for Healthcare Improvement (CFHI) is incorporated as a not-for-profit corporation under federal legislation, and its directors are responsible for managing and supervising the activities and affairs of the Corporation. In discharging this mandate, the Board must comply with the Foundation's governing documents¹ as well as the rules established under the common law governing directors' duties. Where its governing documents are silent or provide for alternatives, or where a consolidation of various provisions will provide greater clarity, CFHI may choose to create governance policies.²

Definitions

In this policy

- (a) **agent** means generally, although is not limited to, a service provider, a member of a CFHI merit review or selection panel, and any other peer/merit reviewer engaged by the Corporation, an external member of a board committee, a member of the Executive Training for Research Application (EXTRA) Expert Advisory Committee, and a member of any other body that may be established by the Foundation from time to time.
- (b) **applicant** means generally, although is not limited to, a person who receives funds from the Foundation as part of their participation in a foundation activity.
- (c) **application form** means generally, although is not limited to, a foundation application or enrollment form, expression of commitment, bid and similar documents requested in a foundation call.
- (d) **body corporate** includes a company or other organization with legal personality wherever or however incorporated.
- (e) **call** means generally, although is not limited to, a call for applications, request for proposals (RFP), prospectus, and similar documents.

¹ CFHI's governing documents include the legislation under which the Corporation exists, its constating documents (articles of continuance and by-laws), and the 2009 Comprehensive Funding and March 2016 Contribution agreements between the Corporation and Health Canada.

² If any provision of a governance policy conflicts with the provisions of the Corporation's articles of continuance and/or its by-laws, the articles of continuance and by-laws shall prevail.

- (f) **conflict of interest** means generally any situation in which an employee, director, officer or agent of the Foundation, or an applicant or a registrant to the Foundation has or promotes an interest which results in or may be reasonably perceived to result in:
- an interference with the objectivity with which the employee, director, officer, applicant, registrant or agent is expected to exercise responsibilities and duties to and on behalf of the Foundation; and/or
 - an advantage or material gain to the employee, director, officer, applicant, registrant or agent, and/or to other persons with whom the employee, director, officer, applicant, registrant or agent does not deal at arm's length, by virtue of the relationship of the employee, director, or agent to the Foundation.
- (g) **entity** means a body corporate, a partnership, a trust, a joint venture or an unincorporated association or organization.
- (h) **foundation activity** means generally, although is not limited to, a competition, collaborative, initiative, call for requests for proposals (RFPs), or other endeavour organized by the Foundation and for which a call is issued by the Foundation.
- (i) **person** means an individual or entity.
- (j) **registrant** means generally, although is not limited to, a person who is a member of or is participating in a foundation activity.
- (k) **service provider** means generally, although is not limited to, a contractor, consultant, or advisor, or an employee or agent of any of the aforementioned, who has entered into an agreement with the Corporation to provide a service to the Foundation.

Policy

Guiding Principle

The Canadian Foundation for Healthcare Improvement (CFHI) shall ensure that it fulfills its mission with integrity and to a high ethical standard. This requires that, as a general rule, its employees, directors, applicants, registrants, and agents shall avoid situations in which their interests are, or are perceived to be, in conflict with the interests of the Foundation.

Directors

1. Directors shall identify and disclose (see disclosure procedures below) any possible or actual conflict of interest, regardless of whether or not the director derives a financial benefit from the activity or interest.
2. Directors shall not receive any direct or indirect remuneration or benefit from the Corporation.
3. Directors shall be prohibited from being the signatory on any application forms submitted to CFHI.
4. Directors are ineligible to serve on foundation 'non-board' bodies that have the power to make recommendations regarding program design and/or are involved in program evaluation.

5. Directors are ineligible to serve on the Foundation's merit review or selection panels.

Employees

6. All employees of the Foundation shall identify and disclose (see disclosure procedures below) any possible or actual conflict of interest for evaluation, regardless of whether or not the employee derives a financial benefit from the outside activity or interest.
7. With respect to outside employment and other activities, employees shall abide by the Foundation's Code of Conduct Policy.

Agents, Applicants and Registrants

8. Agents, applicants and registrants shall identify and disclose (see disclosure procedures below) any possible or actual conflict of interest, regardless of whether or not the agent derives a financial benefit from the activity or interest.

Additional Regulations

9. Members of the House of Commons or of the Senate are
 - (a) ineligible for any share or part of the funding under the Comprehensive Funding Agreement between Health Canada and the Canadian Foundation for Healthcare Improvement approved by the Board of Directors on 1 May 2009 (which applies to all grants previously received from the Government of Canada, and other grants which the parties agree to include in this agreement) or to any benefit arising thereof; and
 - (b) shall not derive any direct benefit resulting from any other contribution agreement between the Corporation and the Government of Canada unless the provision or receipt of such benefit is in compliance with such legislation and codes.
10. Individuals who are subject to the provisions of the *Conflict of Interest Act* (S.C. 2006, c. 9, s. 2), the *Conflict of Interest Code for Members of the House of Commons*, the *Conflict of Interest Code for Senators*, the *Conflict of Interest and Post-Employment Code for Public Office Holders*, the *Values and Ethics Code for Health Canada*, the *Values and Ethics Code for the Public Sector*, or any other values and ethics codes applicable within provincial or territorial governments or specific organizations, shall not derive any direct benefit resulting from the 2009 Comprehensive Funding Agreement, the March 2016 Contribution Agreement or subsequent contribution agreements between the Corporation and the Government of Canada unless the provision or receipt of such benefit is in compliance with such legislation and codes.
11. The Foundation shall continue to comply with its conflict of interest policy as amended from time to time as a condition of making any disbursements from the EXTRA grant.
12. The agenda for a meeting of directors shall include an opportunity at the beginning of the meeting for whoever is chairing the meeting to ask directors if they have any interests to declare.
13. The Corporation's calls and application forms shall stipulate:

- (a) that agents, applicants and registrants must fully disclose any relationship with sitting CFHI board members; and
 - (b) the rules regarding the eligibility of foundation employees, directors, officers, applicants, registrants and agents.
14. Conflict of interest shall be defined in the terms of reference for all foundation merit review and selection panels. Terms of reference shall stipulate rules of disclosure, exclusion, and oversight provisions and requirements for written records and reports by a panel chair or the President.
 15. Following the conclusion of every foundation activity, the President shall report to the Board of Directors on the number of conflict of interest issues which were identified, and summarize how they were dealt with by the merit review/selection panel.
 16. Agreements and memoranda of understanding shall specify that the funds from the Foundation — if any are disbursed by CFHI — shall not support a director's salary in whole or in part.
 17. The Foundation shall publish this policy and make it available to the public.
 18. The President shall provide annually to the Board a summary of the conflict of interest disclosures and declarations made by directors as recorded in the minutes of the meetings of Board and the Board's standing committees during the previous year. The report shall also report on conflict of interest inquiries (and their resolution) pertaining to directors that arose during the previous year.

Disclosures

19. For the purposes of this section, a general notice to the directors declaring that a director or an officer is to be regarded as interested, for any of the following reasons, in a contract or transaction made with a party, is a sufficient declaration of interest in relation to the contract or transaction:
 - (a) the director or officer is a director or an officer, or acting in a similar capacity, of a party referred to in paragraph 24 (b) or (c);
 - (b) the director or officer has a material interest in the party; or
 - (c) there has been a material change in the nature of the director's or the officer's interest in the party.

Directors

20. Within 48 hours of being informed of their election or appointment as a director, the director shall fully disclose to the Board of Directors if any actual or perceived conflict of interest exists or is anticipated.
21. Directors shall complete annually a conflict of interest disclosure form provided by the Corporation.
22. Where an actual or perceived conflict of interest exists or is anticipated, a director shall fully disclose the conflict of interest to the Board of Directors.

23. Disclosures shall be made in writing.
 - 23.1. Disclosures made at a meeting of the Board of Directors or to a committee of the Board and recorded in the minutes of the meeting shall be deemed to have been made in writing.
24. A director shall disclose to the Corporation the nature and extent of any interest the director has in a material contract or material transaction, whether made or proposed, with the Corporation, if the director
 - (a) is a party to the contract or transaction;
 - (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
 - (c) has a material interest in a party to the contract or transaction.
- 24.1. This disclosure shall be made
 - 24.1.1. at the meeting at which a proposed contract or transaction is first considered; or
 - 24.1.2. if the director was not, at the time of the meeting referred to in paragraph 24.1.1, interested in the proposed contract or transaction, at the first meeting after the director becomes so interested; or
 - 24.1.3. if the director becomes interested after a contract or transaction is made, at the first meeting after the director becomes so interested; or
 - 24.1.4. if an individual who is interested in a contract or transaction later becomes a director, at the first meeting after the individual becomes a director.

Officers who are not Directors

25. An officer who is not a director shall disclose to the Corporation the nature and extent of any interest the officer has in a material contract or material transaction, whether made or proposed, with the Corporation, if the officer
 - (a) is a party to the contract or transaction;
 - (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
 - (c) has a material interest in a party to the contract or transaction.
- 25.1. This disclosure shall be made
 - 25.1.1. to the Chair of the Board;
 - 25.1.2. immediately after the officer becomes aware that the contract, transaction, proposed contract or proposed transaction is to be considered or has been considered at a meeting;
 - 25.1.3. if the officer becomes interested after a contract or transaction is made, immediately after the officer becomes so interested; or

- 25.1.4. if an individual who is interested in a contract or transaction later becomes an officer, immediately after the individual becomes an officer.

Directors and all Officers

26. If a material contract or material transaction, whether entered into or proposed, is one that, in the ordinary course of the Corporation's activities, would not require approval by the directors or members, a director or an officer shall, immediately after they become aware of the contract or transaction, disclose in writing to the Corporation, or request to have entered in the minutes of meetings of directors or of committees of directors, the nature and extent of their interest.

Employees

27. Where an actual or perceived conflict of interest exists or is anticipated, the employee shall fully disclose the conflict of interest to their supervisor. The supervisor shall then inform their senior management representative about the conflict of interest.
28. Disclosures shall be made in writing.

Agents, Applicants and Registrants

29. Where an actual or perceived conflict of interest exists or is anticipated, the agent, applicant and registrant shall fully disclose the conflict of interest to the Corporation's President or Vice-President of Corporate Services.
30. Disclosures shall be made in writing. Disclosures made prior to and/or during a review or selection process and recorded in the report of the foundation activity project file affected shall be deemed to have been made in writing.

Implementation/Guidelines

- This policy is currently in effect.
- Conflicts of interest should be resolved in a manner that most fully gives effect to the preceding principle. This may require that the employee, director, officer, applicant, registrant or agent of the Foundation desist from certain actions or activities through which the conflict of interest arose or may arise. Resolutions which impair the ability of an employee, director, officer, applicant, registrant, or agent to fulfill their duties and responsibilities to the Foundation must be avoided.

Additional Information

- A. CFHI's Code of Conduct Policy. < <http://www.cfhi-fcass.ca/sf-docs/default-source/policies/Code-of-Conduct-Policy-E.pdf> >