



# **Nova Scotia College of Counselling Therapists**

## **Board of Directors**

# **Conflict-of-Interest Policy**

### **1. Purpose**

It is the desire of the College that its Directors reflect honesty, integrity, transparency and impartiality in all of their related duties and activities. All Directors have a duty to ensure that the integrity of the decision-making processes of the Board is maintained by ensuring that they and other members of the Board are free from conflict, potential conflict, or undue influence in their decision-making. It is inherent in a Director's fiduciary duty that conflicts of interest be avoided. It is important that all Directors understand their obligations when a conflict of interest or potential conflict of interest arises. It is also important to understand that the avoidance of a conflict of interest is a key legal responsibility, and not simply an internal policy.

It is recognized that Directors have legitimate interests that lie outside of, and often predate, their prescribed duties to the College. However, these outside interests may give rise to situations in which a Director is in a position where these interests may affect, or be affected by, a program, policy or activity of, or under consideration by, the College. Notwithstanding outside affiliations and interests, each Director has a duty to act in the best interest of the College and the public at all times.

The College has established this Conflict-of-Interest Policy to prevent situations of actual or perceived conflict from impairing the ability to fulfill its legislative mandate as public-interest regulator for Registered Counselling Therapists in Nova Scotia, or which would diminish the reputation of the College.

This Conflict-of-Interest Policy is intended to promote the highest standards of public trust and integrity while protecting Directors of the College by providing the means to avoid, declare, investigate and resolve situations that may otherwise place them in legal and ethically perilous situations.

While these policies and procedures may be helpful, they cannot be exhaustive. It is incumbent upon all members of the Board to advise the Chair and/or Executive Director/Registrar of any facts that could reasonably be construed as a conflict of interest. This is necessary in order that appropriate and timely decisions can be made with regard to possible disqualification. When in doubt as to the proper course of action, members of the Board are encouraged to seek advice from the Executive Director/Registrar.

This Conflict-of-Interest Policy supplements, but does not replace, any existing legislation applicable to conflict of interest in not-for-profit organizations in Nova Scotia. It is also intended as a companion document to the NSCCT Board of Directors *Code of Conduct* and *Confidentiality Agreement*.

## 2. Definitions

- 2.1 “College” means the Nova Scotia College of Registered Counselling Therapists (NSCCT).
- 2.2 “Conflict of Interest” means any situation where a Director’s duty to act solely in the best interests of the College and to adhere to the Director’s fiduciary duties, is compromised or impeded by any other interest, relationship or duty. A conflict of interest also includes circumstances where the Director’s duties to the College are in conflict with other duties owed by the Director, such that the Director is not able to fully discharge the fiduciary duties that may be owed to another interest/organization.
- 2.3 “Director” means all elected, appointed or ex-officio members of the Board of Directors.
- 2.4 “Interest” means:
- a personal or business benefit or advantage;
  - an increase or decrease in the value of real or personal property;
  - an advantage, gain, profit, reward or perquisite of any kind, whether pecuniary or otherwise, and whether direct or indirect; or
  - a duty owed as a director, officer, official, associate or employee.
- 2.5 “Significant Relation” means the Director’s (or the spousal equivalent of the Director’s) parent, grandparent, sibling, child, grandchild, son-in-law, daughter-in-law, brother-in-law, sister-in-law, close friend, or business partner.

### **3. Application**

This policy applies to all Directors, including ex-officio Directors, during their term of office; with the exception of duties of confidentiality which extend beyond their term of office in perpetuity.

Directors, shall avoid situations in which they may be in a position of conflict of interest or perceived conflict of interest.

### **4. Areas of Potential Conflict**

Situations in which potential conflict of interest may arise cannot be exhaustively set out. Conflicts commonly arise in the following situations:

#### **4.1. Interest of a Significant Relation**

When the College conducts business with suppliers of goods or services or any other party of which a significant relation of a Director is a principal, officer or representative.

#### **4.2. Gifts**

When a Director, a significant relation of a Director, or any other person or entity designated by the Director, accepts gifts, payments, services or anything else of more than a token or nominal value from a party with whom the College may transact business.

#### **4.3 Acting for an Improper Purpose**

When a Directors exercises their powers from motives of self-interest or other improper purposes. Directors must act solely in the best interest of the College.

#### **4.4 Appropriation of Organization Opportunity**

When a Director diverts, to the Director's own use, an opportunity or advantage that belongs to the College. For example, Directors must not refer to their position on the Board in the signature line of any correspondence that is not authorized communication of the Board; use their Board position on business cards, or use their position on the Board in any advertising or publication.

#### **4.5 Duty to Disclose Information of Value to the College**

When a Director fails to disclose information that is relevant to a vital aspect of the College's affairs.

#### **4.6 Serving on the Board or Executive of Other Organizations**

A Director may be in a position where there is a conflict of "duty and duty". This may arise where the Director serves as a Director of two organizations that are competing, transacting with one another, or have opposing or divergent aspects of their mandates. For example, a Director of the College may not simultaneous be on the Board or any Executive Committee of the Canadian Counselling and Psychotherapy Association

(CCPA), its regional affiliates, or any counselling-related associations or groups whose purpose is in whole or in part to represent or promote the interests of its members or the profession.

## **5. Transacting with the College**

- 5.1 Directors must not transact (i.e., do business) with the College directly or indirectly;**
- 5.2 Directors must not have direct or indirect material interest in any transaction or contract with the College;**
- 5.3 A Director's significant relation must not have direct or indirect material interest in any transaction or contract with the College;**
- 5.4 A Director's significant relation must not have direct or indirect material interest in any transaction or contract with the College;**
- 5.5 A Director must not use their position to obtain employment with the College for themselves or any significant relation;**
- 5.6 Should a Director be considered for employment by the College, they must recuse themselves from Board deliberations, voting and access to information, such time as the employment decision is finalized. until**

## **6. Procedures**

- 6.1 Conflict Declaration**
  - 6.1(a) Each properly constituted meeting of the Board will contain a standing provision for oral declarations of conflict of interest.
  - 6.1(b) Directors who believe themselves to be in conflict with any agenda item must declare the conflict before the items are addressed by the Board
  - 6.1(c) A Director who elects not to attend a meeting by reason that they anticipate the Board will act on a matter over which the Director has a conflict of interest, shall disclose to the meeting Chair, all facts material to the conflict. The Chair shall then report the declaration to the Board at the meeting.

6.1(d) Declarations of conflict shall be reflected in the minutes of the meeting. However, the nature and extent of the Director's interest will be received *in camera* and not recorded as part of the public record of the College.

## **6.2** Conflict Identification and Resolution

6.2(a) Where a Director is unsure of whether they are in conflict, the Director must raise the perceived or potential conflict with the Board, disclosing all facts material to the situation. The Director shall not be permitted to hear the Board's discussion of the matter, nor participate in the vote. The Board will determine by majority vote whether or not a conflict of interest is present.

6.2(b) In recognition of the fact that the identification of a conflict of interest is often difficult, Directors are encouraged to alert fellow Directors to possible conflicts. The Director who has been so alerted will declare the possible conflict to the Board, as set out in 4.2(a). The Board will then follow the process as described in 4.2(a) of this policy.

6.2(c) Where the Board has determined that a Director has failed to declare a conflict of interest, or has not satisfactorily resolved the conflict, the Board will, in its deliberations on the need for redress, consider:

- the extent to which the duty to act in good faith has been breached;
- the extent to which the best interests of the College have been jeopardized.

Breaches of duty that are deemed by the Board to be materially detrimental to the interests of the College, or potentially harmful to its reputation of integrity, may be dealt with as follows:

- Request for an apology by the Director
- Reprimand of the Director
- Limiting of the Director's ability to serve or act on behalf of the College
- Suspension of the Director
- Expulsion of the Director from the Board

6.2(d) Should the Director disagree with the Board's assessment of whether a conflict of interest arose, the Board's decision is final.

6.2(e) If a Director discloses that they are in an ongoing conflict of interest situation which cannot reasonably be resolved through action of the Board, the Director may be asked to resign.

## **7. Restrictions on Directors in Conflict**

**7.1** When it has been established that a Director is in conflict, the Board shall determine the outcome; which may include:

- The Director in conflict shall not be permitted to participate in the discussion or vote on the declared issue
- The Director in conflict shall be excused from the room during discussion and voting on the declared issue
- The item over which there is conflict shall be removed from the meeting agenda if it is determined to be inappropriate

7.2 Where it has been determined that a Director who is in a conflict of interest shall be banned from participating on a matter, they shall not attempt to influence the matter further; within or outside of the meeting.

7.3 A Director who has a conflict of interest with respect to a decision, policy or action that is scheduled for voting, shall not be counted in determining quorum for the purposes of that vote; nor shall they vote, or be present in the room when the vote occurs.

7.3(a) The Director's voting ineligibility shall be recorded in the minutes of the meeting.

7.4 It is acknowledged that not all conflicts or potential conflicts may be satisfactorily resolved by strict adherence to this policy. There may arise cases where the mere perception of a conflict of interest or breach of duty (even where no conflict exists or breach has occurred) may be harmful to the College notwithstanding full compliance with the policy. In such circumstances, the process set out in the policy for addressing conflict of interest shall be followed.

## **8. Undertaking the Business of the College**

Where a Director is authorized to undertake business on behalf of the College, in which their ability to execute their duty without actual or perceived conflict, the Director must immediately notify the Executive Director/Registrar of the details of the conflict. The Executive Director/Registrar will then arrange for an alternate Director to fulfill the responsibility of the conflicted Director, or bring the issue to Board for direction, as appropriate.

## **9. Attestation and Commitment**

Upon election or appointment to the Board, each Director shall attest that they have read and are in agreement with the NSCCT Conflict-of-interest Policy by submitting to the College a completed “Conflict of Interest Agreement” form, annexed to this policy as *Appendix A*.

## **10. Review and Amendment**

This Conflict-of-Interest Policy may be amended by the Board as required. The policy will be reviewed by the Board biannually.

**Approved by Board of Directors:** [February 27, 2021]

**Forthcoming Review:** [February 1, 2023]

### **Acknowledgments**

This document was adapted from:

*Not-for-Profit Board Policy Sample:* The Ontario Organizational Development Program (2014)

*Network Conflict of Interest Policy for Council and Committees:* Nova Scotia Regulated Health Professions Network (2018)

# Appendix A

## Conflict-of-Interest Policy Attestation and Commitment

**The Nova Scotia College of Registered Counselling Therapists takes seriously the responsibility with which it has been entrusted by the Counselling Therapists Act and has as its purpose,**

*“To serve and protect the public interest; to preserve the integrity of the Counselling Therapy profession; and, to maintain public confidence in the ability of the profession to regulate itself.”*

**To maintain this position of public trust, the College has established this Conflict-of-Interest Policy to prevent situations of actual or perceived conflict which may impair its ability to fulfill its legislative mandate, or which would diminish the reputation of the College. The success of the College in fulfilling its mandate has been and continues to be its ability to fulfill its duties in the best interest of the public.**

**For the purpose of protecting the efficacy and reputation of the College, as well as your personal and professional reputation as you participate in its affairs as a member of the Board of Directors, please acknowledge your understanding of this policy and your commitment to abide by its tenets.**

**I, \_\_\_\_\_ (print name) acknowledge that I have read, understand and commit to the NSCCT Board of Directors *Conflict-of-Interest Policy* adopted by the College.**

**Signature of Director**

**Date**