



CONFLICT OF INTEREST POLICY

Policy Number	HR-19
Date of issue	2013-04-01
Suppression	
Issuing Authority	President
Enquiries	Human Resources Branch Resource Planning and Management Portfolio

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1. Introduction

Employees at CIHR contribute in a fundamental way to good government, democracy and Canadian society through the loyal, impartial, and non-partisan support they provide to the elected government and through the service they provide to Canadians.

This policy provides direction and measures to assist CIHR employees in effectively dealing with real, potential, and apparent conflict of interest which may arise during and after employment in the Federal Public Sector. Avoiding, preventing or eliminating conflicts of interest is one of the principal means of maintaining public trust and confidence in the impartiality and integrity of the public service.

This policy is to be read in conjunction with the *Values and Ethics Code for the Public Sector* and *CIHR's Code of Conduct*.

2. Objective

The objective of this policy is to:

- Ensure that, in situations of real, apparent or potential conflict of interest, decisions are made in a manner which upholds the public interest;
- Provide criteria that facilitate ethical decision-making within the organization and by employees to resolve conflicts between private and public interests; and
- Establish measures to help employees prevent and avoid conflict of interest and post-employment situations that could impair the integrity of CIHR and the Public Service or the public's perception of its integrity.

3. Authorities

This policy is issued under the authority of the President, in accordance with the *Canadian Institutes of Health Research Act*.

3.1 Enabling Legislation

- [Public Servants Disclosure Protection Act](#)

3.2 Related Legislation

The following Acts and Regulations are relevant to this policy:

- [Canadian Institutes of Health Research Act](#)
- [Criminal Code](#)
- [Financial Administration Act](#)



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- [Lobbying Act](#)
- [Privacy Act](#)
- [Public Service Employment Act \(Part 7\)](#)
- [Values and Ethics Code for the Public Sector](#)

3.3 Related Publications, Policies and Guidelines

The following policies are related to this policy:

- [CIHR Code of Conduct](#)
- [CIHR Policy on Discipline](#)
- [CIHR Conflict Management Policy and Processes](#)
- [CIHR Staffing Policy](#)
- [CIHR Interchange Guidelines](#)
- [CIHR Policy on the Offer, Acceptance or Solicitation of Gifts, Hospitality and Other Benefits](#)
- [Conflict of Interest and Confidentiality Policy of Federal Research Funding](#)

4. Application

This policy applies to all CIHR employees and persons on assignment or interchange to CIHR from other organizations. This includes indeterminate and term employees, students and part-time workers.

5. Responsibilities

5.1 The President is responsible for:

- a) Ensuring that this policy is clearly communicated to all employees at CIHR.
- b) Ensuring that regular monitoring regarding the application and administration of the conflict of interest and post-employment policy occurs by assessing the organization's service delivery structure, resource allocation, human resources competencies, performance indicators, as well as the systems, processes and procedures to prevent and effectively manage real, potential or apparent conflicts of interest in favour of the public interest.



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5.2 The Chief Financial Officer (delegate) is responsible for:

- a) Delegating responsibilities for the implementation of this policy;
- b) Ensuring that the operational risks of conflict of interest related to CIHR's mandate are identified and managed;
- c) Ensuring that employees have access to advice and assistance when unsure they are in a conflict of interest, and when they are considering undertaking any political activity;
 - Ensuring that procedures are in place for CIHR employees to file a report of all situations, assets or interests that might give rise to a real, apparent or potential conflict of interest with respect to their official duties. These reports are to be dealt with in accordance with the [Privacy Act](#).
- d) Ensuring that any conflict arising between the private interests and the official duties of an employee is resolved in favour of the public interest, by balancing the nature and risk of the conflict of interest with the feasibility and practicality of the measures required to resolve the conflict, and communicating the decision and the reasons for the decision to the employee. While a declaration of a possible conflict of interest may often be sufficient, additional measures may be necessary, as outlined in Appendix B;
- e) Ensuring that concurrent outside appointments that are part of an employee's official duties, such as to a board of directors, are managed appropriately and that any resulting conflicts of duties are resolved in the public interest;
- f) Ensuring that benefits provided or offered to the organization or individual employees by outside entities or individuals with whom the organization has past, present or potential official dealings are managed appropriately and that any resulting real, apparent or potential conflict of interest is resolved in the public interest;
- g) Reviewing CIHR's operations and organizational structure for post-employment situations by advising the President:
 - i. which positions at CIHR may be at risk for post-employment concerns and designating them as subject to the measures in Appendix B, section 3.2. (normally including all positions in the executive category); and
 - ii. on reducing or waiving, as deemed appropriate, the one-year limitation period, in consideration of the criteria outline in section 3.3 of Appendix B.
- h) Ensuring that decisions on the measures that will be taken to resolve conflicts of interest are, where practicable, made in consultation with the employee in question, and providing fair and effective means to resolve disagreements regarding the decisions; and
- i) Monitoring compliance and responding to cases of non-compliance.



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5.3 Human Resources are responsible for:

- a) Ensuring that employees or anyone considering joining CIHR are informed that the measures listed in Appendix B, are a condition of employment. This requirement is fulfilled by having individuals acknowledge these measures in their first acceptance of an offer of employment and on any subsequent appointment;
- b) Ensuring that employees at CIHR are informed on a regular basis of the requirements of this policy;
- c) Promoting the policy and providing guidance to support implementation;
- d) Ensuring that COI Confidential Reports are completed and reviewed upon initial appointment of new employees;
- e) Documenting and assessing all declarations made on COI Confidential Reports;
- f) Gathering and confirming all information related to a COI Confidential Report declaration to assist the CFO formulate recommendations; and
- g) Monitoring and reporting to the CFO on all of the obligations required to be met under this Policy.

5.4 Public Service Commission

The Public Service Commission (PSC) is responsible for administering the provisions of Part 7, [Political Activities](#), of the *Public Service Employment Act* (PSEA), including:

- Granting permission to an employee seeking nomination for or being a candidate in a federal, provincial, municipal or territorial election;
- Authorizing leave without pay to an employee who is a candidate in a federal, provincial, or territorial election; and
- Receiving and investigating allegations of inappropriate political activity as defined in the PSEA, and taking corrective measures when the allegations are founded.



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Appendix A: Definitions

Conflict of Interest (COI): a situation in which the employee has private interests that could improperly influence the performance of their official duties and responsibilities.

Real COI: a direct conflict between an employee's current duties and responsibilities and their existing private interests.

Apparent COI: a conflict of interest in which there could be a reasonable perception that an employee's private interests could improperly influence the performance of the public duties – whether or not this is in fact the case.

Potential COI: a conflict of interest in which an employee has private interests that may not interfere with their official duties immediately but could interfere with their official duties in the future.

Conflict of Duties: a conflict that arises, not because of an employee's private interests, but between an employee's primary official responsibilities in public service employment and his or her responsibilities in a concurrent role that forms part of his or her official duties, such as an appointment to a board of directors, or other outside function.



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Appendix B: Requirements for Preventing and Dealing with Conflict of Interest Situations

The following conflict of interest and post-employment measures are a condition of employment for all employees subject to this policy. These measures are grounded in the values contained in the [Values and Ethics Code for the Public Sector](#). Further guidance can also be found in CIHR's Code of Conduct.

Prevention of Conflict of Interest

An employee maintains public confidence in the impartiality and objectivity of the Federal Public Sector by preventing and avoiding situations that could give the appearance of a conflict of interest, result in a potential for a conflict of interest or result in an actual conflict of interest. Conflict of interest does not relate exclusively to matters concerning financial transactions and the transfer of economic benefit. While financial activity is important, it is not the sole source of conflict of interest situations.

It is impossible to foresee every situation that could give rise to a real, apparent or potential conflict of interest. When in doubt, employees should seek guidance from their manager, the Human Resources Branch or refer to the values set out in the *Values and Ethics Code for the Public Sector* as well as CIHR's Code of Conduct and considers the following measures:

1. An employee's general responsibilities and duties include:

- a) Taking all possible steps to recognize, prevent, report, and resolve any real, apparent or potential conflicts of interest between their official responsibilities and their private affairs in favour of the public interest;
- b) Unless otherwise permitted in this appendix, refraining from having private interests, which would be affected particularly or significantly by government actions in which they participate;
- c) Not knowingly taking advantage of, or benefitting from, information that is obtained in the course of their official duties that is not generally available to the public;
- d) Refraining from the direct or indirect use of, or allowing the direct or indirect use of government property of any kind, including property leased to the government, for anything other than officially approved activities;
- e) Not assisting private entities or persons in their dealings with the government where this would result in preferential treatment of the entities or persons or interfering in the dealings of private entities or persons with the government in order to inappropriately influence the outcome;



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- f) Maintaining the impartiality of the public service and not engaging in any outside activity that impairs or could be seen to impair their ability to perform their duties in an objective and impartial manner; and
- g) Refraining from public criticism of the Government of Canada or undertaking any political activity that could impair or appear to impair the objectivity and impartiality of the employee or the public service.

2. Requirements for reporting, preventing and dealing with situations of conflict of interest during employment

An employee is required to report in writing all outside activities, assets and interests or any current or anticipated applications for CIHR grant or award funding that might give rise to a real, apparent or potential conflict of interest in relation to their official duties at CIHR. Such a report is to be submitted, whether or not a declaration is made, within 60 days of their first appointment.

When requested by CIHR, and every time a major change occurs in their personal affairs or official duties, every employee is required to review his or her obligations under this policy, the *Values and Ethics Code for the Public Sector* and CIHR's Code of Conduct. If a real, apparent or potential conflict of interest exists, he or she is to file a report in a timely manner.

2.1 Assets

Employees are required to evaluate their assets, taking into consideration the nature of their official duties and the characteristics of their assets. If there is any real, apparent or potential conflict between the carrying out of their official duties and their assets, they are to report these assets to President or his delegate.

Where it is determined that any of these assets constitute a real, apparent or potential conflict of interest in relation to their duties and responsibilities, the employee is required to divest themselves of those assets. An employee may not sell or transfer assets to family members or anyone else for the purpose of circumventing the compliance measures.

Refer to Appendix C for reporting purposes.

2.2 Outside Employment or Activities

Employees may engage in employment outside the public service and take part in outside activities unless the employment or activities are likely to give rise to a real, apparent or potential conflict of interest or would undermine the objectivity or impartiality of the public service.



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A CIHR employee intending to engage in:

- (1) outside employment or activity involving the provision of contracted goods or services to a federal government organization or to a CIHR contractor must submit a confidential report and receive a ruling that the proposed outside employment or activity is acceptable under conflict of interest requirements prior to commencing the activity or accepting the employment; or
- (2) any other outside employment or activity not covered by paragraph (1) immediately above, are required to provide a report to the President or his delegate when their outside employment or activities might subject them to demands incompatible with their official duties, or cast doubt on their ability to perform their duties in a completely objective manner.

The President or his delegate may require that the outside activities be modified or terminated if it is determined that a real, apparent or potential conflict of interest exists.

2.3 Political Activities

Any employee considering involvement in political activity should seek the advice of their manager, the Public Service Commission or the Labour Relations Advisor before acting.

Employees are required to seek and obtain permission from the Public Service Commission (PSC) to seek nomination for or be a candidate in a federal, provincial, territorial or municipal election, in accordance with Part 7 of the *Public Service Employment Act* (PSEA).

“Political activities” are defined in [Part 7 of the PSEA](#) as “any activity in support of, within or in opposition to a political party; carrying on any activity in support of or in opposition to a candidate before or during an election period; or, seeking nomination as or being a candidate in an election before or during the election period.”

Any employee who wishes to engage in a political activity not covered by Part 7 of the [Public Service Employment Act](#) (PSEA) that could constitute a conflict of interest is required to provide a report on the proposed activity to the President or his delegate.

Similarly, any employee who is subject to this policy but who is not subject to Part 7 of the PSEA, who wishes to engage in any political activity that could constitute a conflict of interest, is to provide a report on the proposed activity to the President or his delegate. This includes students appointed within Student Employment Programs, part-time workers and persons employed for less than three months.



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2.4 Gifts, Hospitality and Other Benefits

Employees are called upon to use their best judgment to avoid situations of real or perceived conflict when deciding whether or not they are to accept gifts, hospitality or other benefits. In doing so, employees must refer to the criteria established in [CIHR Policy on the Offer, Acceptance or Solicitation of Gifts, Hospitality and Other Benefits](#). The decision to accept or refuse gifts, hospitality or other benefits must also be done while keeping in mind the full context of the *Values and Ethics Code for the Public Sector*, *CIHR's Code of Conduct* and this policy.

2.5 Avoidance of Preferential Treatment

Employees are responsible for demonstrating objectivity and impartiality in the exercise of their duties and in their decision-making, whether it is related to staffing, financial awards or penalties to external parties, transfer payments, program operations or any other exercise of responsibility.

This means that they are prohibited from granting preferential treatment or advantages to family, friends or any other person or entity. They should not offer extraordinary assistance to any entity or persons already dealing with the government without the knowledge and support of their manager. They also are not to disadvantage any entity or persons dealing with the government because of personal antagonism or bias.

Providing information that is easily or publicly accessible to relatives or friends or to entities in which employees or their family members or friends have interests is not considered preferential treatment.

2.6 Grants and Awards

A CIHR employee shall not benefit personally, either financially or otherwise, as a result of his/her duties in respect of a grant or award application. A CIHR employee who has a direct or indirect professional or personal relationship with an applicant, a direct or indirect relationship with the Applicant's institution, a direct or indirect financial interest in a funding opportunity or an application for funding to CIHR, shall disclose the relationship or interest to his/her manager and shall recuse himself from any role he/she may have otherwise played in the review of the application or the awarding of a grant or award, unless otherwise directed by his/her manager.



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3. Requirements for preventing post-employment conflict of interest situations before and after leaving office

All employees have a responsibility to minimize the possibility of real, apparent or potential conflict of interest between their most recent responsibilities within the federal public sector and their subsequent employment outside CIHR. Before leaving their employment with CIHR, employees should disclose their intentions regarding future outside employment or activities and discuss potential conflicts with their manager or the President or his delegate.

3.1 Application

The general responsibility cited above applies to all employees covered by this policy. The measures that follow apply specifically to those employees occupying positions in the executive and senior professional categories.

3.2 Post-employment measures

Employees in positions at the executive and senior professional categories are to disclose to the President in writing all firm offers of employment or proposed activity outside the public service that could place them in a real, apparent or potential conflict of interest with their public service employment. They are to also disclose immediately the acceptance of any such offer. This provision also applies to former employees during the period of one year after leaving office, as described below.

Former employees in positions in the executive and senior professional categories may not, without the President's authorization, within a period of one year after leaving office:

- i) accept appointment to a board of directors of, or employment with, private entities with which they directly, or through their subordinates, had significant official dealings during the period of one year immediately prior to the termination of their service;
- ii) make representations to any government organization on behalf of persons or entities outside of the public service with which they had significant official dealings, during the period of one year immediately prior to the termination of their service. The official dealings in question may either be directly on the part of the employee or through subordinates; or
- iii) give advice to their clients or employer using information that is not readily available to the public concerning the programs or policies of the departments or organizations with which they were employed or with which they had a direct and substantial relationship.



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3.3 Waiver or Reduction of Limitation Period

A current or former CIHR executive or senior professional may apply to the President or his delegate for a written waiver or reduction of the limitation period. The executive or senior professional is to provide sufficient information to assist the President or his delegate in making a determination as to whether to grant the waiver taking into consideration the following criteria:

- the circumstances under which the termination of their service occurred;
- the general employment prospects of the employee or former employee;
- the significance to the government of information possessed by the employee or former employee by virtue of that individual's position in the public service;
- the desirability of a rapid transfer of the employee's or former employee's knowledge and skills from the government to private, other governmental or non-governmental sectors;
- the degree to which the new employer might gain unfair commercial or private advantage by hiring the employee or former employee;
- the authority and influence possessed while in the public service; and/or,
- any other consideration at the discretion of the President or his delegate.

4. Resolution

With respect to the arrangements necessary to prevent real, apparent or potential conflict of interest, it is expected that situations will be resolved through discussion and agreement between the employee and the delegate. When an employee and the delegate disagree on the appropriate arrangements to resolve a real, apparent or potential conflict of interest, the disagreement will be resolved through the resolution procedures established by the President, which is the [CIHR Conflict Management Policy and Processes](#).

5. Consequences

An employee who does not comply with the requirements of the measures set out in this Appendix is subject to disciplinary measures, up to and including termination of employment.



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Appendix C:

Reporting Assets and Liabilities

Assets and liabilities which should be included in a Confidential Report include:

- publicly traded securities of corporations that do business with CIHR, or that could apply for or be the recipients of contracts from CIHR (“Securities”), whether owned by the employee or his/her family members or associates.
- interests in partnerships, proprietorships, joint ventures, private companies and family businesses, in particular those that own or control Securities or that could apply for or be the recipient of contracts from CIHR , whether owned by the employee or his/her family members or associates.
- any other assets or liabilities that could give rise to a real, perceived or potential conflict of interest due to the particular nature of the employee’s duties and responsibilities.