

PROVINCIAL AUDIT COMMITTEE

CONFLICT OF INTEREST GUIDELINES

1. Introduction

The purpose of these guidelines (Guidelines) is to establish basic terms and conditions respecting conflicts of interest for members ("Members") of the Provincial Audit Committee (the "Committee"). Each Member is responsible for ensuring that he or she follows both the letter and the spirit of these Guidelines.

2. Definition of Conflict of Interest

A conflict of interest exists in any situation in which a Member exercises or performs a duty or function for or on behalf of the Committee with the knowledge that it provides the opportunity to further a private, personal, or business interest of such Member and / or his or her Direct Associates¹.

Conflicts of interest can include both financial and material interests. In addition to actual conflicts of interest, there can also be apparent or potential conflict of interest:

- (a) An apparent conflict of interest exists if there is a reasonable perception, which a reasonably well-informed person could properly have, that the Member's ability to exercise such Member's duties and responsibilities could be influenced or affected by their financial² or material interest³;
- (b) A potential conflict of interest is a situation that may develop into a real conflict of interest.

3. Guidelines

Members of the Committee have a responsibility to conduct themselves in a manner that does not compromise the ability of the Committee to accomplish its mandate or undermine the public's confidence in the Member's ability to discharge their responsibilities properly. It is expected that Members will:

- (a) Perform their duties and responsibilities on the Committee in such a manner that public confidence and trust in their honesty, integrity, fairness, and good faith are conserved and enhanced.
- (b) Not gain an improper advantage through information derived from their association with the Committee.

- (c) Respect the confidentiality of the Committee and not provide information received through their role as Members which is not available to the general public, unless prior written authorization is given for its release.
- (d) Not influence or attempt to influence or gain a benefit or advantage for themselves, their families, their business associates or others with whom they have a significant personal or business relationship.

4. Disclosure of Conflicts

- (a) It is the responsibility of each Member to immediately disclose to the Chair of the Committee, the existence of any conflict of interest.
- (b) It is the responsibility of the Chair of the Committee to immediately disclose to the Members of the Committee, the existence of any conflict of interest. The other Committee members can provide advice to the Chair about whether a proposed activity by the Chair would be a breach of this Guideline.
- (c) It is a duty of the Members of the Committee to decide whether such individual may participate in any discussions on the issue that has been given rise to the conflict.
- (d) Members must withdraw from participation in any way in decisions in which they have a financial or material interest.
- (e) Disclosures of conflicts should be made as early as possible which, if at all possible, should be prior to the existence of a situation of conflict of interest.
- (f) Members who are in a conflict of interest shall absent themselves without comment prior to any discussion in respect of the issue in question.

5. Administrative Processes

The Guideline Administrator receives and ensures that any real or apparent conflict of interest is avoided or effectively managed. As well, the Guideline Administrator is responsible for providing advice and managing concerns and complaints concerning potential breaches of the Guideline, including conflicts of interest.

- (a) The Guideline Administrator for Members is the Chair.
- (b) The Guideline Administrator for the Chair is the other Committee Members who receive disclosures from the Chair and respond to an allegation that the Chair has breached this Guideline.

6. Affirmation

The Conflict of Interest Guidelines for the Provincial Audit Committee were introduced on March 31, 2010 and is reaffirmed annually by the Committee to ensure it remains current and relevant.

¹As defined in the *Conflicts of Interest Act*, a person is directly associated with a Member if that person is

- (a) the Member's spouse or adult interdependent partner,
- (b) a corporation having share capital and carrying on business or activities for profit or gain and the Member is a director or senior officer of the corporation,
- (c) a private corporation carrying on business or activities for profit or gain and the Member owns or is the beneficial owner of shares of the corporation,
- (d) a partnership
 - (i) of which the Member is a partner, or
 - (ii) of which one of the partners is a corporation directly associated with the Member by reason of clause (b) or (c),or
- (e) a person or group of persons acting with the express or implied consent of the Member.

² Financial interest: Includes all forms of direct and indirect compensation, remuneration, ownership or control of an entity.

³ Material interest: When a Committee Member and / or Direct Associate which could include a member of his or her immediate family (a) is a director, trustee, partner, officer or senior executive in an entity or (b) has a financial interest of any kind in an entity which, in view of all the circumstances, is substantial enough that it might affect, or reasonably be perceived to affect, the Committee Member's judgment.