



Conflict of Interest Policy

(Approved by CSHP Board, March 7, 2004)
(Updated April 2020)

BACKGROUND:

The Canadian Society of Hospital Pharmacists (CSHP) requires members in leadership positions to act honestly, in good faith and solely in the best interests of the Society. CSHP recognizes that in having volunteer Board members, branch councils, affiliated boards and committees it is unreasonable to expect these individuals to give up outside activities during their terms of office. However, such outside activities may give rise to situations (i.e., conflicts of interest) in which the outside activity of the Board member is in conflict with, or may affect or be affected by a program, policy or activity of or under consideration by the Society. It is also unreasonable to expect that a member or group of member's outside interests will broadly exclude them from participating in Society activities.

PURPOSE:

This policy is intended to promote the highest standard of public trust and integrity while protecting all of CSHP's Stakeholders by providing the means to avoid or resolve situations that may otherwise place these Stakeholders in ethically questionable situations. This policy applies to all Stakeholders at the national, branch and chapter level.

DEFINITIONS:

Conflict of Interest: Any situation in which a CSHP internal stakeholder by virtue of his / her position, has or may be perceived to have, (by a reasonable person in all the circumstances), a private or personal interest which results in the following:

- The objective exercise of his / her official CSHP duties being influenced to the detriment of CSHP or those having dealings with CSHP, and / or;
- A gain or advantage or showing of preference to the CSHP Internal Stakeholder, life-partner, immediate family member, or close friend of the CSHP Internal Stakeholder, to the detriment of CSHP or those having dealings with CSHP.

Immediate Family Members: includes a Stakeholder's parent, grandparent, sibling, Spouse, child, grandchild, son-in-law, daughter-in-law, brother-in-law, sister-in-law and the parent, grandparent, sibling, child, grandchild, son-in-law, daughter-in-law, brother-in-law, sister-in-law of the Stakeholder's spouse. (For clarity, spouse includes a life partner.)

Stakeholders: persons in the following relationship to CSHP:

- Board Members
- CSHP Employees
- Committee / Task Force Members / PSN Chairs
- Canadian Pharmacy Residency Board Members
- CSHP Research and Education Foundation Members
- Branch Councils and Committees
- CJHP Editorial Board
- Contract Staff
- CSHP Members who are employees of or provide services to Corporate Members

Stakeholder Associates: are Immediate Family Members or close friends of a Stakeholder.

POLICY:

In dealing with any potential or actual conflict of interest, CSHP expects every Stakeholder to:

1. Be aware of the nature, diversity and prevalence of Conflict of Interest,
2. Disclose potential and actual Conflicts of Interest to the appropriate authority, and when necessary remove him/her from the voting process.
3. Exercise their best judgement to further the interests of the Society; this judgement must be exercised in light of all the experiences, perspective and expertise of the stakeholders.

Furthermore conflicts of interest will be dealt with on an individual basis and no group of active members will be excluded from participation in the affairs of the Society based on their outside interests.

Public trust in CSHP requires that all Stakeholders:

- Perform their duties and functions with integrity and in a manner that will bear public scrutiny.
- Arrange their private interests in a manner that will minimize the potential for Conflict of Interest.
- Identify and disclose business opportunities, contractual or employment arrangements that have a reasonable potential of creating a Conflict of Interest in the future.
- Will not solicit or accept directly or indirectly for personal benefit or the personal benefit of a Stakeholder Associate, a fee, gift or benefit from a person or an organization that deals with CSHP, where the fee, gift or benefit could influence or be perceived to influence the performance of CSHP duties and functions. For clarity pharmaceutical industry companies are included in this definition of organizations.
- Disclose to the appropriate CSHP authority the solicitation or acceptance of donations, gifts, or other benefits for the use by CSHP, from a person or organization that conducts business with CSHP where such solicitation or acceptance could influence or be perceived to influence the performance of CSHP duties and functions.
- Will not grant preferential treatment in relation to any CSHP matter to a Stakeholder Associate or to organizations in which the Stakeholder or a Stakeholder Associate has an interest, to the detriment of CSHP or those having dealings with CSHP.

- Will not benefit from, make personal use of or disclose confidential information to a Stakeholder Associate, or to an organization that employs the stakeholder that is obtained in the course of performing CSHP duties.
- Not benefit from the use of CSHP facilities, property or resources for anything except in the course of CSHP duties or functions, unless such use has been reviewed and approved by the appropriate level of authority.
- Will not participate in CSHP decisions involving direct benefits such as appointments, retention, promotion, salaries, and leaves of absences or awards to members of their immediate families.

PROCEDURE:

Procedures for Declaring and Resolving Conflicts of Interest:

Preamble:

The potential for a duality of interest is inherent in any situation in which individuals in decision-making roles are chosen for their expertise, their leadership in other fields or their specialized representation of specific community or institutional interests such as occurs with ex-officio appointments. This duality of interest can be beneficial to and consistent with the primary goals of CSHP.

Adherence to this Policy and its principles helps to ensure that the best interest of CSHP is the focus of all Stakeholders in the performance of official duties and functions. These procedures are designed to provide timely, equitable and objective means to declare, report, investigate and resolve potential or actual conflicts of interest.

A. National Board and Branch Councils – Annual Declarations

Annually, within one month following the Annual General Meeting, all National Board members shall disclose any outside activity, which might create a conflict of interest with the Society to the Chief Executive Officer (CEO). The CEO shall maintain the disclosures on file and provide one copy of each to the President. The President-Elect shall receive one copy of the President's disclosure.

Branches will also follow a similar process and the Branch President will maintain appropriate records. The Branch President will report on the completion of this activity to the CEO the branch Annual Meeting. A short letter to the CEO accompanying the financial statements of the branch will satisfy this requirement. The letter should verify that the Branch President has received conflict declarations from the branch council and that all committee members at the branch are aware of the Conflict of Interest Policy.

Members of the CSHP Research and Education Foundation Board will disclose any potential conflicts to the Chair annually in a similar fashion to the National Board.

B. Leadership Positions – Ongoing Declarations

For clarity Leadership Positions refers broadly to stakeholders who are Board Members, Committee / Task Force Members, PSN Chairs, Canadian Pharmacy Residency Board Members, CSHP Research and Education Foundation Members, CJHP Editorial Board and Branch Councils/Committees. Councils, affiliated boards and committees refer to any one of the

aforementioned bodies.

Members in a leadership position, who believe themselves to be in conflict, with respect to items before the council, affiliated board or committee, must declare the conflict before the items are dealt with. Where a Member in a leadership position is unsure of whether he or she is in conflict, the Member must raise the perceived or potential conflict with the council, affiliated board or committee. This body will determine by majority vote whether or not it is felt that a conflict of interest exists. The said Member must refrain from voting on whether or not there is a conflict of interest.

Each properly constituted meeting of all CSHP Board, related affiliated boards, committees, task forces and branch councils will contain a standing provision for declarations of conflict of interest. Where the Member has declared a conflict, that person may, at the discretion of the Board, affiliated board or committee, be permitted to participate in the discussion or, instructed to be absent from the room during the discussion. In either case, the person will not vote on the matter under consideration and, for purposes of that matter, not be included in the count for a quorum. In recognition of the fact that the identification of conflict of interest situations is sometimes difficult, members in leadership positions are encouraged to alert fellow council, affiliated board or committee members to possible conflicts on their parts. The member who has been alerted will declare the possible conflict to the chair of the council, affiliated board or committees who will call for a vote if required to rule on the possible conflict. Conflicts resolved at the committee, affiliated board or branch level would be reported to the Board.

Any member in a leadership position who perceives another Member to be in conflict of interest in a matter under consideration must raise this concern with the Chair. The Chair, in turn, must discuss the matter with the member who is perceived to be in conflict and as appropriate, hold further discussions with the first Board Member. If the discussions do not lead to a resolution, the matter must be brought to the Board, affiliated board or committee and that body must determine by majority vote whether or not a conflict of interest exists. The Member perceived to be in conflict must refrain from voting.

Where it has been determined that a member in a leadership position has not declared and /or satisfactorily resolved a conflict of interest situation, the Board, affiliated board or committee will consider the extent to which the duty to act in good faith and in the best interests of the CSHP has been breached in its consideration of the need for redress. Breaches that are deemed by the Board, affiliated board or committee to be severe may result in the removal of the Member from his/her role on this body. Consideration of such situations must be communicated and discussed with the CEO and President before action is taken.

If, at any time, a member of a council, affiliated board or committee indicates that they are in an ongoing conflict of interest, which may be perceived to compromise their ability to serve on that body, the Chair of that Board, affiliated board or committee will report the matter to the CEO before any action is taken. The National Executive in consultation with the council, affiliated board or committee will determine if the member should excuse themselves from ongoing participation in this group.

C. Employees and Contract Staff

Employees and contract staff acting in the course of their employment have a duty to abide by this Policy. In its application, individuals are afforded the protections provided by contracts of employment and CSHP Human Resource policies.

Where conflicts, real or perceived, do arise, it is the responsibility of the staff member to declare the conflict to the immediate supervisor. The immediate supervisor will document the conflict for the staff-member's file and forward a copy to the CEO or appropriate Executive Officer. It is the responsibility of the supervisor, in consultation with the most appropriate level of authority, to determine whether a conflict exists and resolve it. The staff-member may request that the most appropriate level of authority review a decision.

Where a conflict of interest situation, real or perceived, involves the CEO, the matter will be addressed and resolved by the Board.

Understanding that a conflict of interest may be subtle and not easily recognized, all staff-members have a responsibility to alert others to the possibility of a conflict. The staff member who has been alerted will declare the possible conflict to the supervisor who will proceed as noted above.

Where it has been determined that an employee has not declared or satisfactorily resolved a conflict of interest situation, the most appropriate level of authority will consider the extent to which the duty to act in good faith and in the best interests of the CSHP has been breached in considering the need for redress. Breaches deemed by the CEO to be severe may result in the termination of employment or termination of the contractual agreement.

C. Alternative Reporting Mechanism

As an alternative process, suspected conflicts of interest may be reported to the CEO or President. This alternative process is provided for any person who suspects a conflict of interest and is unwilling to report his/her concerns to the appropriate authority. Under such circumstances, the CEO and President will take appropriate action to protect the confidence of such a report, and to investigate the report and circumstances that prevented the person from the normal process.

Understanding Conflict of Interest

Conflict of Interest Situations - some typical examples:

In most instances, a conflict of interest can be easily resolved through disclosure and implementation of the necessary corrective action. This appendix sets out examples of both conflict and non-conflict of interest situations and circumstances. These examples are intended as illustrations to assist with understanding and application of this policy but are not intended to be the only examples of Conflict of Interest within CSHP. An individual in doubt about the existence of a conflict or its perception is required to make a declaration to the appropriate authority within CSHP.

Self-dealing - promoting the interests of life-partners, family members and personal friends:

- The CEO appoints a significant relation (hereinafter defined as life-partner, immediate family member or close friend) as a CSHP employee. (The primary goal of any selection process is to obtain the best possible individual for the job at hand by means of a process that is fair to all the candidates. Where a conflict of interest could be perceived, as in the case of the selection of a significant relation, it should be declared to the appropriate authority who will ensure that a selection process is designed that fairly balances the interest of all participants. Situations that involve direct or indirect supervision of a significant relation may be permitted to continue provided safeguards deemed necessary by the appropriate authority in consultation with the President is in place).
- A committee member recommends dealing with a company to provide service to CSHP with no competitive bid process. The company's owner is the spouse of the committee member. (If no loss has been incurred, a review of the tendering procedure may suffice. If the arrangement was designed to confer unfair advantage to the relative at the expense of the CSHP, removal of the committee member may be in order)

Self-dealing-other:

- A principal investigator uses CSHP research funds or grants to secure personal benefits unrelated to the purpose of the funds - e.g. Purchases a home computer. (Repayment of funds, suspension from future research competition)

Accepting benefits:

- An employee in a position to influence the purchase of goods or equipment accepts an offer from a competing supplier for the free use of a condo in Florida. (Removal from purchasing process, suspension from duty without pay, suspension of privileges. Termination of employment *may be* warranted in this case.)
- A council member or employee accepts an honorarium or consulting fee from a supplier that regularly conducts business with the CSHP. (Disclosure and removal from any involvement in the awarding of business to the supplier)

Influence peddling:

- A Board Member or employee uses position, influence or authority to promote the purchase of goods used by the CSHP, where the individual or a significant relation stands to gain financially. (Person is removed from the purchasing process, disciplinary action taken, and possible removal from the process of the bidder standing to benefit from influence peddling)
- A Board Member promotes the financial interest of his/her constituents in a way that disadvantages the financial interests of CSHP. (The Board may declare the Board Member to have a conflict of interest and instruct that the Board Member be removed from discussions and not vote on the matter, or, in some circumstances, commence the process to remove the Board Member from the Board).

Use of CSHP property for private advantage:

- An employee without the consent of the CSHP operates a private business, on CSHP property - e.g. Use of telephone for long distance calls. (Repayment of any money due and letter of reprimand or suspension from duty without pay or suspension of privileges)

- An employee removes supplies and /or equipment from the CSHP for personal use at home. (Repayment of any money due and letter of reprimand or suspension from duty without pay or suspension of privileges)

Use of confidential information:

- A stakeholder upon learning of the CSHP's plans to purchase neighbouring residential properties secretly purchases all or some of such property and holds it in a spouse's name. (Discipline up to and including termination of employment/privileges, exposure to lawsuits)
- A stakeholder provides the confidential member information (e.g. names, addresses, and credit card numbers) to a friend or relative or to pharmaceutical companies for the purposes of marketing. (Involves breach of confidentiality as well as conflict of interest - Disciplinary action up to and including termination of employment, exposure to lawsuits, removal from office)

Moonlighting:

- An employee in a department which relies on privately generated revenue sets up a competing business in which he/she participates on a part-time basis (Employee may be instructed to choose between working for the Department in CSHP and the private interest)
- An employee engages in outside employment to the extent that it interferes with his/her ability to devote sufficient time and energy to CSHP responsibilities. (The performance problems are noted and employee advised that the moonlighting as it relates to ability to perform as a CSHP employee might result in discipline up to and including termination).

Conflict of Commitment:

Many members of CSHP staff and the Board have commitments to other institutions and organizations. Conflict arises when commitments to other employer(s) come into conflict with obligations to CSHP. Such conflict should be resolved on an individual case by case basis in consultation with the appropriate CSHP leadership.

Examples of non conflict of interest situations and resolved conflicts-

- An employee solicits gifts for a CSHP golf tournament from suppliers who conduct business with the CSHP and discloses all pertinent information to his/her immediate supervisor and advises the suppliers that the gift will play no role in the award of business. – Note suppliers in this context refers to companies that CSHP buys goods and or services from – not pharmaceutical companies who contribute to CSHP (conflict declared and resolved)
- An employee or Board Member engages in a working lunch paid for by a supplier where the purpose of the lunch was the conduct of CSHP business. (No conflict where such hospitality is within the bounds of propriety, a normal expression of courtesy, or within the normal standards of hospitality and as such is not likely to cast suspicion on the employee's objectivity and impartiality)
- An employee participates in a site visit paid for by a potential supplier in the context of a CSHP sanctioned purchasing process. (No conflict)
- An employee has a business or part time job that does not compete or interfere with CSHP responsibilities. (No conflict)
- A Board Member who operates a local business and bids on a CSHP tender, declares the conflict, absents him/herself from any and all discussion related to the award of the tender

- and, does not participate in any vote on the matter. (Conflict resolved)
- A Board Member submits the name of an individual that he/she perceives as a good prospective employee to the CEO. (Board Members, as well as other internal stakeholders are a valuable source of referrals in recruitment. In the case of the Board Member, making the CEO or his/her designate the pivot for such recommendations from Board Members eliminates the appearance of a conflict).