

Conflict of Interest



AMM

Municipal Officials Seminar

April 12, 2017

Manitoba



Presentation Overview

- Conflict of Interest Rules
- Conflict of Interest Responsibilities
- Perceived Conflicts
- Question and Answer Session

The Municipal Council Conflict of Interest Act

- Establishes the conflict of interest rules
- Helps ensure council's decisions are made fairly, without being influenced by personal interests
- Establishes a process for a council member to do business with the municipality when necessary

Conflict of Interest

- Defining conflict of interest
- Rules apply to all council members and LUD committee members
- When?

Pecuniary Interest

- Pecuniary Interest = Financial Interest
- Financial interest may be a benefit (gain)
- Financial interest may be a liability (loss)
- Direct and indirect pecuniary interests

Direct Pecuniary Interests

Matters that a council member, their spouse/partner or dependant child has a:

- Direct financial benefit
- Direct financial liability

Indirect Pecuniary Interests

Include matters before council pertaining to:

- Employers
- Partnerships
- Corporations (Director, Officer, Shareholder)

In Conflict of Interest Situations:

DO NOT:

- Participate in discussion
- Vote
- Attempt in any way to influence the rest of Council's decision

Identifying Potential Conflicts

- Understand the rules
- Review meeting agendas for potential conflict of interest situations
- Consider input from others – CAO; other members of council; citizens
- The decision to declare an interest rests with the council member

Disclosure at Meetings

- Disclose interest before the matter is discussed
- Physically leave the room
- Do not attempt to influence the decision in any way, at any time

Types of Conflicts

- Voting/participating when the member has a direct or indirect pecuniary interest
- Use of “insider” information
- Receiving compensation from individuals, businesses or corporations
- Use of position to influence a decision

Exceptions

- Council remuneration decisions
- Committees that council member has been appointed to by council
- Interest in common with all other residents
- Less than \$500 value
- Employees of public bodies

Council member's right to represent own interests at:

- Variation application hearings
- Conditional use application hearings
- Assessment appeals

Annual Statement of Assets and Interests

- Filed annually by November 30
- Continuing disclosure requirement
- Includes assets and interests of council member and member's dependents

Annual Statement of Assets and Interests

- All land in Manitoba (owned and leased)
- Employers
- Partnerships
- Corporations (5% or more interest)
- Investments (not RRSPs)
- Gifts over \$250 from non-family

Conflict of Interest Recordkeeping

- The record of compliance
- The meeting minutes
- The central record of disclosures

Alleged Violations / Penalties

- Decided by the Court of Queen's Bench
- Council or an elector can bring forward an application to the Court
- Violations can result in disqualification from council; restitution for financial gain
- Unknowing or inadvertent breach

Effect on Council's Decisions

- Failure of a council member to comply with conflict of interest rules does not of itself invalidate Council's decision.

Perceived Conflict of Interest

- Beyond legislative parameters – for example brother, independent child
- Potential to be damaging to the public trust
- Individual council member's decision

Questions?