

**CONFLICT OF INTEREST POLICY****1.1. POLICY STATEMENT**

The Department of Labour Skills and Immigration (LSI), Skills and Learning branch (the “Branch”) is committed to ensuring transparency, fairness, and integrity in its operations. This Conflict of Interest (COI) Policy applies to all organizations/employers engaged by LSI, requiring them to avoid any personal, financial, or professional interests that may conflict with their obligations to LSI.

**1.2. PURPOSE**

The purpose of this policy is to establish clear guidelines for identifying, declaring, and managing conflicts of interest (COI) related to organizations/employers’ applications for funding or funding agreements with the Branch, and to ensure effective monitoring of the disclosed conflicts by the Branch. The policy ensures that organizations/employers adhere to high standards of integrity and transparency to prevent conflicts that may impair objectivity or lead to biased decision-making.

**1.3. SCOPE**

This policy applies to all organizations/employers that are applying for funding or have funding agreements with the Branch, particularly in the areas of grants, contracts, and any other services that could give rise to real, or perceived COIs. It also outlines the processes the Branch uses to manage conflicts of interest related to funding agreements. The Policy will be periodically updated to reflect legal and regulatory changes and communicated to all related parties.

**1.4. DEFINITIONS****CONFLICT OF INTEREST**

A conflict of interest occurs when the duties or responsibilities of an organization are or potentially could be compromised as a result of their personal or private interests. This policy focuses on conflicts specifically related to duties and responsibilities directly connected to the agreement the organization has with LSI. COI may take many different forms that include, but are not limited to the following circumstances:

- **Financial Interests:** Where an organization has a direct or indirect financial interest in the outcomes of a project funded or overseen by LSI.
- **Nepotism:** Favoritism shown to relatives or close personal relations in hiring, contracting, or service provision, which is common in rural areas where social networks are close-knit.
- **Personal or Professional Relationships:** Personal or professional relationships between an organization staff and LSI staff that could influence decisions or service delivery.

- **Vendor Bias:** When certain organizations/employers are preferred over others based on factors such as personal relationships or incentives.

#### TYPES OF CONFLICTS OF INTEREST

- A. “Real” conflict of interest occurs when an organization’s interests interfere with or undermine its ability to fulfill its responsibilities under the funding agreement with the Branch.
- B. “Apparent” or “Perceived” conflict of interest occurs when an organization is reasonably seen as having interests, that could potentially interfere with or undermine its ability to fulfill its responsibilities under its agreement with the Branch. This includes situations where others might perceive a conflict exists, even if no actual conflict is present, as such perceptions can undermine trust and the effectiveness of the work.

#### ORGANIZATIONS/EMPLOYERS

Organizations and employers (including management, staff and board members) refer to external organizations, businesses, not-for-profits or individuals that are contracted by the Branch to deliver services, programs, projects or activities on behalf of the department. These providers operate independently of LSI but play a critical role in supporting its objectives.

#### MANAGEMENT

Management refers to individuals or groups within an organization responsible for planning, directing, and overseeing operations, resources, and decision-making processes. This could include the business owner.

#### BOARD MEMBERS

Board members are the individuals who hold governance roles within third-party service providers' organizations, and they are responsible for overseeing the strategic direction, financial management, and compliance of their organization.

#### PROGRAM AREA/AGREEMENT MANAGERS

Program Area/Agreement Managers are LSI staff responsible for overseeing the implementation and administration of contracts or agreements with third-party service providers.

#### LSI SENIOR MANAGEMENT

Senior management are the Directors and the Senior Executive Director within the Branch responsible for making strategic, operational, or high-level decisions.

### 1.5. DECLARATION REQUIREMENTS

All organizations/employers must identify and declare any potential, perceived, or actual conflicts of interest during the application phase or as they arise during the lifecycle of the agreement. The declaration process is as follows:

- **Initial Declaration:** Organizations are required to complete the COI Declaration Form if they are declaring any conflict in the Labour Market Programs Support System (LaMPSS) during the application stage. Once an organization selects "yes" to declare a conflict of interest (COI) in LaMPSS, they must complete the declaration form and either upload it to LaMPSS or submit it to the Agreement Manager to upload it. Please note that the application will not proceed, and payments will not be issued until the completed form is received.
- **Ongoing Declarations:** All current agreement holders must immediately declare any new or emerging COI by completing and submitting the COI Declaration Form to the Agreement Manager at any stage during the agreement's lifecycle. COI questions are part of the activity and financial reporting during the monitoring stages of the agreement lifecycle.
- **Monitoring & Documentation:** Agreement Managers will review, manage, and monitor all submitted declarations. All the declarations will be documented, uploaded, and flagged in LaMPSS for monitoring and reporting purposes.

Declaring a conflict of interest (COI) does not automatically disqualify applicants or agreement holders from being eligible for funding. However, an applicant or agreement holder that does not mitigate a conflict of interest to the satisfaction of LSI may become ineligible for funding. If a conflict exists, it must be properly documented, assessed, and actively managed within the agreement to maintain transparency and ensure compliance.

### 1.6. REVIEW AND MANAGEMENT PROCESS

The following steps outline the process for managing COI risks:

1. **Declaration:** The process of declaring conflicts of interest is as follows:
  - All potential, perceived, or actual conflicts of interest must be declared by selecting "yes" in LaMPSS at the application stage.
  - Applicants must then complete and submit a Conflict of Interest (COI) Declaration Form.
  - If a conflict of interest is identified after the application stage, the Declaration Form must be completed and submitted to the Agreement Manager and renewed annually.

- Additionally, all existing declared conflicts of interest must be renewed and resubmitted annually.
2. **Assessment:** Upon submission of the COI declaration form by the organization/employer, the Agreement Manager will:
    - review the declared COI to assess whether the declared COI presents a significant risk and review the risk mitigation approach.
    - assesses whether the risk mitigation approach is sufficient.
    - if the risk mitigation approach is insufficient, work with their direct supervisor (Team Lead or Manager) and the organization/employer to develop and implement a good mitigation approach.
    - summarize all essential information from the declaration and document the information in LaMPSS.
  3. **Escalation to LSI Senior Management:** If the COI is deemed to have a significant impact, the issue is escalated to the Program Area Director or the Branch Senior Executive Director. They will assess the severity of the conflict and determine whether it presents an unacceptable risk to LSI or the public interest. Factors such as project value, prior history, and the adequacy of proposed mitigation steps are considered.
  4. **Resolution:** Senior management guides mitigating the COI or, if necessary, disqualifies the organization or employer from the process. Documentation of the decision is maintained for audit and transparency purposes.

### 1.7. ESCALATION PROCESS

The key steps in the escalation process include:

1. **Initial Review:** The program area manager reviews and evaluates the COI declaration.
2. **Escalation to LSI Senior Management:** Based on the complexity and potential impact, the Agreement Manager escalates COI with high risk to their direct supervisor (Team Lead or Manager) who may escalate to senior management for further review if necessary.
3. **Decision Making:** Senior management determines whether the COI can be mitigated or whether further action, such as contract termination, is necessary.
4. **Documentation:** All stages of the COI escalation process, including the final decision and steps taken, are documented for compliance and audit purposes.

### **1.8. ROLES AND RESPONSIBILITIES**

- **Organizations/Employers:** Responsible for identifying and declaring any potential COI and proposing risk mitigation strategies when applicable.
- **Program Area/Agreement Managers:** Responsible for reviewing COI declarations, determining their impact, monitoring the COI risk mitigations, detecting undeclared COI, and ensuring timely escalation to LSI senior management.
- **LSI Senior Management:** Responsible for making the final decision on high-risk COI and providing guidance on the appropriate course of action.
- **Internal Audit and Compliance Teams:** Responsible for overseeing COI management, ensuring all policies and procedures are followed, and performing audits to ensure adherence.

### **1.9. MONITORING AND REPORTING ACTIVITIES**

To ensure continuous oversight of COI risks:

- **On-Site Monitoring:** COI risks will be integrated into existing on-site monitoring activities. Agreement Managers will review potential COI issues during regular site visits.
- **Annual COI Reviews:** Organizations/Employers will be required to renew their COI declarations annually. This will ensure compliance with LSI's COI policies throughout the life of the agreement.
- **Compliance Review:** Periodic reviews will be conducted to assess the effectiveness of COI management processes. These audits will include a detailed review of organizations/employers' COI procedures and documentation.
- **Reporting:** The LaMPSS system will be used to track and report all COI declarations, escalations, and resolutions. A quarterly COI report will be generated to assess ongoing COI risks and identify potential improvements in the COI management process.

### **POLICY REVIEW**

This policy will be reviewed and updated periodically to ensure its relevance and alignment with the evolving needs of LSI and its service providers. All updates will be communicated to third parties and internal staff.