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February 22, 2018

Mr. Rod Loyola, MLA
Chair, Standing Committee on Resource Stewardship
Legislative Assembly
3rd Floor, 9820 – 1097 Street
Edmonton, Alberta T5K 1E7
Attention: Committee Clerk

Dear Mr. Loyola,

Re: Review of the Conflicts of Interest Act

Medicine Hat College appreciates and welcomes the opportunity to submit a written response with respect to the *Conflicts of Interest Act*.

Openness and accountability are valued at Medicine Hat College. However, as a Comprehensive Community Institution (CCI), we have a different set of challenges when compared to other agencies, boards and commissions (ABC's) which we would like to address.

Designated Senior Officials (DSO)

We respectfully submit that there should be no Designated Senior Officials at CCI's. If the intent is to have Presidents named as a DSO, then we would like to encourage you that Board Chairs of CCIs should not be included in the DSO listing. The level of input and ability to make decisions on operational issues that would give rise to conflicts that the DSO provisions seek to address is minimal for Board of Governors of CCIs and adequately covered in the conflict of interest restrictions and current legislation.

There are special obligations set out in the *Conflicts of Interest Act* that apply only to Designated Senior Officials. Where the Ethics Commissioner has the discretion, we would request that the regulations set out some guidance that will be exercised in a more accommodating and permissive way for the DSOs of the Colleges as opposed to other ABC's, in recognition of the limited ability of a College's DSO to materially affect the issues that the limitations are seeking to protect against.

Chairs of the Boards of Governors of CCIs are essentially volunteers who give of their time and do not have the ability to influence decisions in the same way as

the Chairs of commercial or regulatory ABCs would, nor even in the same way as the Chair of a University Board of Governors would. We are concerned about the impact this would have on our ability to recruit strong and effective Board Chairs and the excessive administration this would create for a very low risk.

While Presidents of CCIs fully support openness and transparency, there are several requirements for DSOs in the amendments to the *Conflicts of Interest Act* that the CCIs find unnecessary considering the size and complexity of our institutions as compared to other post-secondary institutions, such as universities. For example, the extent of the financial disclosure and the requirements to place publicly traded securities in a blind trust by the President of a college goes beyond the intention of these amendments. I encourage you to find the correct balance between the disclosure and trading limitations.

CCI Donor Relationships are Different

We support and understand the clear conflicts of interest that the Act seeks to prohibit – namely, that employees must not accept any gift, perk, benefit, or other favour which may be intended or would reasonably be perceived as being provided in exchange for a favour or advantage to a third party carrying on business with the college. However, we submit that CCIs are in a unique circumstance compared to other agencies, boards and commissions, as we are not the ones offering the advantage, rather we are the ones seeking the support.

That is, with our current budget constraints, (where our costs are going up and on the revenue side, government funding cannot keep pace while tuition and fees are still frozen), colleges have to find innovative ways to partner with industry and seek donor support now more than ever. Limiting our ability to effectively interact with all stakeholders will hamper our ability to engage with donors to build and sustain the necessary relationships.

Most CCI's (if not all) already have a strict code of conduct that ensures timely and stringent reporting measures. These current procedures ensure accountability and transparency for our institutions. The annual limits on cash value of events attended and gifts received should be higher for colleges than other ABCs and explicit exemptions for networking events, donor benefits, and other situations unique to colleges must be recognized to maintain our ability to attract and retain the donors that are so critical to our sustainability.

Finding the Correct Requirements

There is a wide-range of different ABCs throughout the province – they range from highly sophisticated and publicly-funded, complex commercial and self-funded, smaller and publicly-funded service institutions such as not-for-profits. Due to the fact that different types of ABCs are so vast, we would like to see consideration for a categorization of Alberta ABCs, particularly as it relates to the *Conflict of Interest Act's* more onerous provisions. We believe that one size does not fit all, and while transparency and accountability are absolutely vital, lumping every organization together creates unintended and serious consequences for many. CCIs are not the same as large, privately funded commercial enterprises nor large regulatory entities, therefore compliance requirements of the legislation should be appropriately tailored for the complexity of the organization(s).

Please feel free to contact me should you have any questions.

Yours truly,

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Denise Henning, Ph.D.
President and CEO