

CODE OF ETHICS: DECLARING CONFLICT OF INTEREST TRANSCRIPT

00:08 Condominium managers and management provider businesses licensed by the Condominium Management Regulatory Authority of Ontario (or CMRAO) are required to provide professional and ethical services to their clients.

00:27 In Ontario, condominium managers are licensed professionals, and the Code of Ethics establishes, in regulation, a standard of good practice, governs the way licensed condominium managers are required to behave, and promotes professionalism, reliability, and quality of service.

00:45 Condominium managers need to comply with all legal obligations, and this includes the Code of Ethics regulation.

00:52 A critical element of the Code of Ethics is the requirement for CMRAO licensees to act with fairness, honesty, and integrity at all times.

01:01 This means navigating conflicts of interest in accordance with both the ethical obligations as set in the Code of Ethics, and the legal obligations as outlined in the *Condominium Management Services Act*, or CMSA.

01:14 Consider this situation, a condominium manager works in a small town where the only local cleaning company is owned by a member of their family.

01:23 Hiring this company may well be in the condo corporation's best interests and would certainly make things easier for the condominium manager.

01:31 If the condominium's Board of Directors is thinking of engaging the services of this company, what do you have to do, as the condominium manager, in this situation?

01:42 A. Get references from other clients to ensure the work is good

01:46 B. First ask the relative to offer a family discount, and then get Board approval

01:52 C. If the price is within the corporation's budget, sign the contract before anyone finds out about your connection

02:00 D. Disclose your relationship to the company, in writing, to the corporation's Board of Directors



Address: P.O. Box 48087 RPO Davisville Toronto, ON M4S 3C6



Phone: 1-866-888-5426



Website: www.cmrao.ca

02:07 The correct answer is D.

02:11 Licensees must disclose any interest they have in a client condominium corporation's existing or proposed contract or transaction.

02:18 In situations like this, where a reasonable person would think that the manager's judgment could be compromised, consider it a conflict of interest.

02:26 Failing to declare this conflict could be more than a breach of the Code of Ethics. The CMSA sets out specific requirements for disclosing conflicts of interest, and failing to follow these steps could result in disciplinary action, or worse, action against the licence.

02:42 If a licensee has an interest in an existing or proposed contract or transaction of their client, they need to:

02:50 1. Disclose the nature and extent of the conflict in writing to the corporation's Board of Directors, and,

02:57 2. Recuse themselves of any Board discussions about this matter—unless the Board gives explicit permission for them to be present for those discussions.

03:06 Play it safe. If it looks like a conflict of interest, treat it like a conflict of interest. Disclose it in writing to the Board and recuse yourself from Board discussions. Even if you may not personally be gaining financially from the matter in question, it would still be a conflict if a close family member or friend would benefit.

03:25 Think about your ethical obligations to treat your client fairly and to keep them informed.

03:30 Condominium managers are licensed professionals who are expected to set a good example of professional conduct when providing condominium management services.

03:39 The CMRAO provides useful tools and valuable information to help condominium managers and provider businesses understand all the relevant legislation and requirements.

03:50 For more information about the Code of Ethics regulation, please visit cmrao.ca.