

# CONFLICT OF INTEREST POLICY

Division	Risk and Assurance		
Date Created	April 2010		
Publication Date	November 2021		
Review Date	May 2024		
Owner	Risk and Assurance Manager		
Approved By	Corporate Leadership Team		
Document Identifier	RAA-POL-003		
V5.0	Nishana Reddy	May 2024 (Reviewed, updated to include CCO's)	
	Nishana Reddy	November 2021	
		Reviewed (minor amendments)	
V 3.0	Enid Davids	April 2019	Reviewed
V 2.0	Enid Davids	March 2016	Reviewed
V 1.0	David Woltman	April 2012	Reviewed
V 0.1	Claire Johnstone	April 2010	Draft developed

# CONTENTS

- 1. Introduction..... 3
- 2. Objective ..... 3
- 3. Principles ..... 3
- 4. Application ..... 4
- 5. Definitions ..... 4
- 6. Identification and management of conflicts of interest ..... 4
- 7. Examples of conflicting situations ..... 5
- 8. Protected Disclosures ..... 5
- 9. Disciplinary action..... 5
- 10. Related Policies or Forms ..... 5

## 1. INTRODUCTION

Hutt City Council (“**Council**”) and its wholly owned Council Controlled Organisations (CCO’s), together known as the Council Group is committed to the highest standards of honesty, integrity, transparency and ethical conduct in its day-to-day behaviour and decisions, in both actuality and appearance.

However, from time to time, Council officer’s interests may give rise to either an actual, potential, or perceived conflict of interest. Effective management of conflicts of interest is crucial to reducing legal and reputational risks while also demonstrating integrity when carrying out duties on behalf of the Council.

Council Group adopts a principles-based approach to the identification and management of conflicts of interests. This policy, in conjunction with the Code of Conduct, sets out the principles and guidance for making informed judgements when faced with competing interests.

## 2. OBJECTIVE

To ensure Council Group officers and any person involved in the operations of the Council Group understand how to identify, manage, and disclose any actual, potential, or perceived conflicts of interest when executing their duties and responsibilities consistently, and act in a manner that uplifts public confidence.

## 3. PRINCIPLES

- Council Group officers are expected to be fair, impartial, unbiased, responsible, competent, and trustworthy in carrying out their duties in a manner consistent with the spirit of service to the public and refrain from pursuing personal/other interests at the expense of Council’s interests or the collective interest of the community. Other interests include political, religious, or cultural beliefs etc. that may indicate prejudice or predetermination in favour for or against person/s or issue/s;
- Disclosure of interests are required from commencement and throughout employment as conflicts of interest situations can arise at anytime;
- Officers must be alert to situations or people they manage to ensure conflicts are identified as early as possible and necessary steps are taken to mitigate the risks;
- Disclosure of conflicts of interest may involve disclosing confidential information. This information must be handled with due care for the privacy of the individual concerned;
- All information used to carry out your duties while employed by the Council Group must not be used to influence/guide decisions that could create a personal benefit directly or indirectly. This includes information that is not explicitly labelled ‘confidential’ or ‘sensitive’ and is not generally available to the public;
- Council Group treats impartially all external persons and organisations that it has a current or potential relationship with;
- Officers are not to undertake other employment or participate in other business or voluntary activities which present a conflict of interest with the Council Group;
- Only those authorised by the Chief Executive or who have express delegation as part of their role can make public statements on behalf of the Council Group. When speaking to/in the media as a private individual, officers must make it explicit that the comment is made in a private capacity. (Council/CCO job titles, Council/CCO contact details, or Council/CCO’s letterheads must not be used. Additionally, Council Group facilities must not be used as backdrops for filming or photographic purposes);

- Any officer making a presentation or writing a publication/paper in his/her capacity as a Council officer or as part of academic studies, must obtain approval of the content from their line manager and the Council/CCO 'owner' of the subject matter. Additionally, publications in a private capacity must be explicitly stated to be in that private capacity; and
- Perceptions are important. Officers are not only to behave ethically, but be seen to behave ethically, and with honesty, integrity, impartially, accountability, trustworthiness, respect, and responsiveness.

## 4. APPLICATION

This policy applies to:

- Employees (“**Officers**”) of the Council Group including permanent, temporary, casual, fixed term and seconded workers;
- Those employed on a contract basis, including contractors through external agencies; and
- Any person involved in the operation of the Council Group.

Elected Members are governed by the Local Authorities (Members' Interests) Act 1968, Standing Orders and the Elected Members' Code of Conduct and therefore are excluded from this policy.

## 5. DEFINITIONS

For the purpose of this document:

- **Conflict of interest** involves a conflict between the public duty and the private interest of a public official, in which the official's private-capacity interest could improperly influence the performance of their official duties and responsibilities.

[Definition from Managing Conflict of Interest in the Public Sector – ISBN 92-64-01822-0 – © OECD 2005]

- **Actual conflict** is where the conflict already exists.
- **Potential conflict** is where the conflict is about to happen or could happen or ought to be reasonably foreseeable to lead to a conflict of interest.
- **Perceived conflict** is where other people might reasonably think, based on the information generally available to them, that a person has been compromised.
- **Close relationship** is a connection or association that may impair judgement to act impartial. For example: relationships with immediate and extended family members, business associates/partners, and hapū or iwi.
- **Council officers** are persons involved in the daily operations of the Council Group.
- **Financial interest** is an ownership stake in an equity security or debt security issued by an entity, including the rights and obligations to acquire such an interest.
- **Non-financial interest** is an ownership stake that does not have a financial component.

## 6. IDENTIFICATION AND MANAGEMENT OF CONFLICTS OF INTEREST

- All conflicts of interest do not automatically imply wrongdoing on the part of any person. However, Council Group officers must identify and disclose all interests that may create a conflict of interest in a timely manner with their line manager in the first instance.
- Council officers must also complete the Interest Disclosure Form RAA-FORM-003, obtain the

relevant approval and forward the completed form to Risk and Assurance for processing on the Council Group wide interest Register. (Access to details captured on the Council Group wide interest register is restricted).

- Management will determine whether a conflict of interest exists and the course of action, in consultation with the officer/s involved.
- All conflicts must be reviewed on a case-by-case basis as soon as practically possible.
- Where an actual conflict of interest exists, any transactions that may have been affected must be reviewed retroactively.
- The Chief Executive, and directors must complete a declaration at least annually. Including a 'nil return' if there are no conflicts to disclose.
- Leaders of the Council Group must build awareness of conflicting situations and provide adequate support to employees in order to comply with this policy.

## 7. EXAMPLES OF CONFLICTING SITUATIONS

A conflict of interest can arise in a number of ways and can be caused, amongst other things, by:

- Current employment with another organisation;
- Involvement, interest and/or ownership/shareholdings in another business;
- Investments and property ownership, or beneficial interests in trusts;
- Membership of or **holding an office in another organisation**, club, society or association;
- Professional or legal obligations (such as being a trustee, chairperson);
- Financial obligations e.g., an officer owing debt to someone or someone owing debt to the officer;
- Personal relationships – family, friends or close personal relationships;
- Holding or expressing strong political, personal, religious, or cultural beliefs that may indicate prejudice or predetermination in favour for or against person/s or issue/s;
- Having received a gift, sponsorship, hospitality, or other benefit; or
- Being a relative or close friend of someone who has one of these interests (or who could otherwise be personally affected by a decision of the public entity).

## 8. PROTECTED DISCLOSURES

Nothing in this Policy shall limit the rights and obligations of employees or the Council Group under the *Protected Disclosures Act 2000*. Refer Protected Disclosure Policy for obligations and rights of employees and employers relating to Protected Disclosures Act 2000.

## 9. DISCIPLINARY ACTION

All actual or alleged policy breaches will be investigated and actioned in accordance with People and Capability procedures i.e., the Policy Guidelines to Managing Misconduct and disciplinary procedures.

Bring forward concerns, pertaining to yourself or a colleague, to your line manager, Director, Chief Executive, People and Capability or Risk and Assurance if you suspect or detect an undisclosed or inadequately managed interest. This can be done via the Reporting Wrongdoing and Fraud form, which forms part of the Protected Disclosures Policy process.

## 10. RELATED POLICIES OR FORMS

- Conflict of interest disclosure form
- Receiving of Gifts Policy
- Code of Conduct
- Fraud Policy
- Policy Guide to Managing Misconduct
- Protected Disclosures Policy
- Procurement Policy and Guidelines
- Staff Media Policy