

Conflict of Interest Policy

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| Engagement required: | Internal |

1 Introduction

Elected members and employees of Council have a number of professional and personal interests and roles. Conflicts of interest sometimes cannot be avoided but they need not cause problems when promptly disclosed and well managed.

The policy defines a range of circumstances that may constitute conflicts of interest.

Associated processes and guidelines for identifying and managing conflicts of interest are provided separately in Promapp and are to be read in conjunction with this policy document.

This policy is intended to reflect best practice, and will generally be applied by Council.

2 Purpose

The purpose of this policy is to:

- a) provide best practice guidance to Council members and staff making work decisions so that such decisions are seen to be transparent and unbiased and without giving rise to any perception of conflict of interest;
- b) set rules around disclosing actual, potential and perceived conflicts and accepting gifts and other benefits;
- c) set out Council's expectations for its members and staff and to ensure compliance with the provisions of the legislation and good practice guides listed below; and
- d) preserve public trust in Council by avoiding actual, perceived or potential bias.

3 Definitions

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| Conflict of Interest | any situation when a person has a financial, personal or business interest sufficient to influence or appear to influence the impartial exercise of their official Council duties or professional judgement. |
| Council | Waikato District Council. |
| Matter | the Council's performance of its functions or the exercise of its powers, or an arrangement, agreement or contract the Council has entered into or proposes to enter. |
| Member | elected members of Waikato District Council including Community Boards and Community Committees of Meremere and Te Kauwhata. |

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| Senior staff | the Chief Executive, Executive Team members and direct reports of Executive Team members. |
| Business Interest | <p>a Council staff member or elected member will have a business interest in an enterprise seeking to do business with the Council if they:</p> <ul style="list-style-type: none"> a) are a director of the enterprise; b) are an owner of or partner in the enterprise; c) have a shareholding in the enterprise; d) have a close personal or familial relationship with a person who is an owner or partner or significant shareholder in the enterprise. |
| Financial Interest | <p>anything of monetary value, including but not limited to:</p> <ul style="list-style-type: none"> a) Salary or payments for service, e.g. consulting fees and honoraria; b) Equity interests, e.g. stocks, stock options and other ownership interests; c) Gifts; d) Allowances, forgiveness of debts, interests in real estate or personal property, dividends, rents, capital gains; e) Intellectual property rights, e.g. patents, copyrights and royalties from these rights. <p>The term does not include salary or other remuneration received from or approved by Council.</p> |
| Personal Interest | a Council staff member or elected member has a personal interest in a matter if their spouse or partner, or other person in their family with whom there is a close friendship or relationship, could be advantaged or disadvantaged by any decision that the staff or elected member either can make, or does make, or is in a position to influence. |
| Relevant Interest | is when an elected or staff member has a business, financial or personal interest in a company, trust, or community organisation that is likely to do business with Council at any time. |

4 Application

This policy applies to all elected members, including community boards and committees, and all Council managers and staff, whether full-time, part-time or casual.

It also applies to contractors or consultants engaged by Council where the contract or engagement agreement has specified that this policy applies.

All Council members and staff are responsible for complying with this policy. Senior managers are also responsible for ensuring that their staff adhere to it. If Council staff are unclear about the application of this policy to specific circumstances or situations, they should seek clarification from their manager who may seek clarification or advice from the relevant senior staff member.

5 Significance

- 5.1 This Policy is not considered significant under the Significance and Engagement Policy.

6 Policy statements

6.1 Principles and Ethics

Elected members and staff must carry out their duties in an efficient and competent manner and avoid any behaviour which might impair their effectiveness, or damage the integrity or standing of council. Thus it is fundamental to the protection of the reputation of Waikato District Council that no elected or staff members have, or are perceived to have, a conflict between their official responsibilities and their personal interests.

A conflict of interest can arise where two different interests overlap, i.e. in any situation where an elected or staff member has a financial interest, a private or personal interest or business interest sufficient to influence or appear to influence the impartial exercise of their official duties or professional judgment.

Members and staff must at all times avoid situations where their integrity might be questioned or where they may appear to favour one party, supplier or customer over another. In addition, members and staff must act honestly and impartially and in no circumstances reveal or make private use of personal, confidential or other non-public information obtained as a result of their employment by the Council.

The existence of a conflict of interest may not necessarily mean that the elected or staff member concerned has done anything wrong or that the interests of Council or the public have been compromised. For an elected or staff member, a conflict of interest that creates risks may be where their duties or responsibilities to Council could be affected by some other interest or duty that they may have. For example, other interests or duties might exist for an elected or staff member because of their own financial affairs; a relationship (private or personal interest) or other role (business interest) that the elected or staff member has; or something the elected or staff member has said or done.

Disclosure provides transparency and protects those concerned from allegations of duplicity and enables the avoidance of being unwittingly placed in situations that may lead to a conflict of interest.

6.2 Contractors/Consultants/Providers

- 6.2.1 Conflicts of interest in relation to consultants, contractors and goods/service providers may arise as a result of:
- a) the contractor or service provider also being an employee of the Council;
 - b) a Council employee having an 'interest' in a contractor or service provider and having the opportunity to be involved in discussions and/or decision making with respect to that consultant, contractor or service provider about any potential agreement or contract;

- c) the consultant, contractor or service provider having an 'interest in' or relationship with a third party outside of the Council which could influence their relationship with the Council.

6.3 Policy Statements

6.3.1 Council staff and members are to conduct themselves at all times under the above principles, ensuring that:

- a) self-interest or personal factors are not permitted to influence their decision making;
- b) financial, family, personal or business relationships or interests do not in fact, nor appear to, unfairly advantage or disadvantage other Council staff, elected members or other individuals or organisations;
- c) they are not involved in the appointment process of people with whom they have a close personal or family relationship;
- d) they do not take part in discussions, deliberations, decision-making or voting on a matter in which he/she (or a member of his/her immediate family or a dependent) has a material interest, except with consent of the Council/Committee Chair/manager;
- e) they observe the highest standards of behaviour in accepting gifts or rewards. Any gift that might attract the suspicion of improper motive, or which obligates the individual should not be accepted. In any event all gifts offered (received or not) are to be declared (refer to WDC Gifts & Hospitality Policy and Elected Members' Code of Conduct);
- f) Council's name, resources, information and time are not used for private or personal benefit without prior written consent of an authorised person;
- g) any conflict of interest identified is declared as soon as possible;
- h) where a manager has received a declaration of interest from a staff member, appropriate steps are taken to resolve the situation as soon as possible, in accordance with process;

6.3.2 Council staff and members should acquaint themselves with the relevant policies and processes referred to in this policy.

6.3.3 As part of the induction process, new Council members and staff will receive advice on how to identify, report, and manage conflicts of interest.

6.3.4 Council members must monitor any business interactions between the Council and any company or organisation in which the member has a material interest and ensure that such business does not exceed \$NZ25,000 (including GST) in value without the prior approval of the Auditor-General.

Members shall:

- a) declare any interests in contracts in the Council's Interest Register (see 6.4 below)
- b) discuss any proposed interest in contracts (of whatever value) in advance with the Chief Executive and/or the Office of the Auditor-General (OAG) and follow the advice that they are given;
- c) not participate in decision-making relating to any contract in which they have an interest;
- d) not accept any gifts (including hospitality, entertainment) from tendering parties where the Council or local board/committee will be part of the decision-making process.

6.3.5 Council staff shall not participate in the following activities, unless otherwise authorised in writing:

- a) being involved in a decision to appoint or employ a relative;
- b) conducting business on behalf of the Council with a relative's company;
- c) owning shares in (or working for) any organisation that has dealings with (or that are in competition with) the Council;
- d) being involved in any public consultation process on behalf of the Council where the staff member is involved in the same process on behalf of him/herself or another entity, except where considered reasonable (e.g. a rates staff member who lives in the district might need to explain rates increases);
- e) accepting gifts in connection with their official role (see WDC Gifts & Hospitality Policy for parameters); or
- f) influencing or participating in a decision to award grants or contracts where the member is connected to a person or organisation that submitted an application or tender.

6.3.6 Every elected and staff member has an obligation to declare any material interests relevant to Council activities and to ensure that any conflict arising from the material interests is noted and managed appropriately.

6.4 Interests Registers

Council will maintain two interest registers (one for members and one for staff) which are to be updated:

- a) at least annually in relation to Council members and senior staff, as detailed in 6.5 below; and
- b) as required when an elected or staff member declares a conflict of interest at any time during the year (as detailed in the relevant 'Identify, Declare and Manage Conflicts of Interest' process).

Both registers will be maintained by the Democracy Manager and shall include approved action plans where relevant.

The Elected Members Interests Register (or a fair and accurate summary of its contents) will be made available for public inspection.

6.5 Annual Declarations

Elected members and senior staff must make full and complete annual declarations of relevant interests as at 31 January each year. Such declarations must be received by the Democracy Manager by the last day of February. Members and senior staff may also advise as soon as practicable during the year if any relevant new interests arise. All declarations are recorded in the relevant interests register.

The annual declaration must notify the Council of the nature and extent of any relevant interest (refer to definition), including:

- a) Company directorships and controlling interests.
- b) Interests (such as shares and bonds) in companies and business entities.
- c) Any employment.
- d) Beneficial interests in trusts.
- e) Membership of community organisations, for example clubs, environmental protection organisations, churches or charitable bodies within the Waikato District.

- f) Appointments (except those made by the Council), e.g. to a university council or government agency.
- g) Interests in land, within the Waikato district, whether as owner or tenant.

The above interests are defined in the Register of Members' Interests - Schedule of Requirements. These definitions should also be used by senior staff wherever relevant.

Note: In some cases, the declarations also involve the interests of the member or manager's spouse or partner, family and close friends – refer to the schedule.

- 6.5.1 Council and committee agendas will include a 'standing' item for the disclosure of any interest relating to any agenda item.

6.6 Contractors/Consultants/Providers

Consultants, contractors and providers of goods and services are required to disclose to the Council at the time of their engagement any potential conflicts of interest with their engagement. As an outcome of this disclosure, the Council may insert an appropriate clause into any formal agreement/contract to manage the disclosed situation should that be possible. In some cases, the Council will reserve the right to terminate agreements or contracts which are compromised as a result of a conflict of interest.

7 Policy review

- 7.1 This policy shall be reviewed at three yearly intervals or as otherwise required by the Chief Executive.