



Conflicts of Interest Policy

1 August 2022

Purpose

The overarching purpose of this policy is to maintain a high level of public confidence in the integrity of Council and to clearly outline actual, perceived or potential conflicts of interest, including coercion, inducements or threats and the process that will be followed to manage them.

Scope

This policy applies to all elected members, committee members and employees of the Invercargill City Council, including volunteers or people engaged or contracted under a contract for services (contractors) for the Council. The term “employee” will be deemed to mean all persons that are covered by this policy other than elected members and committee members.

Definitions

For the purposes of this policy, unless otherwise stated, the following definitions shall apply:

Gifts, Benefits and Hospitality

Defined in the [Gifts and Benefits Policy](#) and include, but are not limited to, goods, services, vouchers, tickets, discounts or cash received by an employee during the course of, or as a result of their position within the Council.

Conflict of Interest

A conflict between performance of a public duty and a private or personal interest. A ‘personal interest’ includes the private, professional or business interests of a person, or of the individuals or groups with whom they have a close association, such as, but not limited to, relatives or friends. Personal interests may be pecuniary (financial) or non-pecuniary (non-financial). A conflict of interest may be:

- Actual: a conflict between a person’s official duties and responsibilities in serving the public interest, and their personal interest;
- Perceived: occurs when a reasonable person, knowing the facts, would consider that a conflict of interest may exist, whether or not this is the case;
- Potential: occurs where a person has a personal interest that could conflict with their official duties in the future.

Pecuniary	A pecuniary interest refers to an actual or potential financial gain or loss for the person, their family or close associates.
Non-pecuniary	A non-pecuniary interest refers to an interest that is not financial or monetary but arises from such things as personal relationships, beliefs or involvement in social, cultural, religious or sporting activities.
Coercion, inducements and threats	Defined as the practice of persuading someone to do something by using incentives, force or threats.

Principles that guide us

Elected members, committee members and employees must:

- Declare and manage all actual, perceived or potential conflicts of interest.
- Declare all personal relationships and interests that could be perceived as:
 - Creating a personal or family gain.
 - Providing an advantage to any third party organisation (e.g. community group of business association) they are involved with.
- Manage their interests so that they are visibly impartial.
- Make transparent decisions on behalf of the council.
- Think about how a situation might seem to others, even though they know their intentions are good.
- Report immediately any incident where coercion is either suspected or has occurred
- If in doubt, declare.

Ethics and Overarching Framework

A conflict of interest may affect a person's judgement as to what is in the public interest, or may lead to a bias in their decision making. It is not always possible to avoid a conflict of interest. A conflict of interest is not necessarily unethical or wrong.

It is important that any actual, perceived or potential conflict of interest is identified, disclosed and effectively managed (including avoided if possible). Management of conflicts of interest must be fair, transparent, accountable and free from bias.

Employees are able to seek independent advice about how a conflict will be managed; and are encouraged to report any actual, perceived or potential conflict of interest that they observe.

The Conflict of Interest Procedure specifies how and to whom disclosures or reports must be made, the roles and responsibilities of various persons, steps or processes that may be used to avoid or manage a conflict of interest, and how a conflict of interest is to be recorded and reported.

Specific guidance about these matters is provided for roles or areas where there is a high risk that a conflict of interest may arise. These roles or areas have been identified, but not limited to, as People and Capability, Procurement/Purchasing, regulatory functions such as Building Services, Resource Management and Environmental Services.

There are significant linkages to the [Procurement Policy](#) and this policy should be read together with the procurement Policy when the conflict relates to procurement.

Essential Considerations

Dealing with the Council in a personal capacity

Applying for a building consent or making a food license application are examples of dealing with the Council in a personal capacity.

In these and similar situations, does the employee have an advantage members of the public do not have? This could include accessing files or information, or preferential treatment.

All employees should receive the same treatment as any member of the public.

Supplying to the Invercargill City Council

Any elected member or employee who has a partner or family member, whom owns a business that supplies goods or services to the council may have, or could be perceived as having, influence over contracts or procurement at the Council.

The *Local Authorities (Members' Interests) Act* 1968 provides that elected members must not vote on or take part in the discussion of any matter before the Council or committee in which they have, directly or indirectly, any pecuniary interest, other than an interest in common with the public. The Act also provides that, subject to approval from the Auditor-General elected members must not have an interest in entities which have contract(s) with Council totalling more than \$25,000 (including GST).

Relationship declarations must be made and removal from any decision making involving the business.

Recruitment

Whilst employees are encouraged to forward job vacancies to friends and family members before doing this, the employee must consider:

- If they are part of the recruitment process or could influence the recruitment decision.
- If the role is being offered to only internal applicants.

If the role is open to external applicants then the employee is able to pass the vacancy onto friends and family members, however, if a friend or family member applies then they must not be involved in any way with the recruitment process.

What you need to know

If an elected member, committee member or employee coaches their son's sports team. Do they need to declare an interest?	<ul style="list-style-type: none">• That in itself doesn't create a conflict. However, if the elected member or employee were to put in an application for community grant funding from the Council for the team, that might create a conflict depending on the employee's role.• In this case, the elected member or employee would need to stand aside from the grant application and declare the conflict by either completing the Conflict of Interest workflow through Objective here: Conflicts of Interest Workflow Instructions or by using the Conflict of Interest Declaration Form which can be found in Appendix A.
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<p>Can elected members, committee members or employees apply for a Council grant from the Council?</p>	<ul style="list-style-type: none"> • Council grants are open to everyone, but a conflict would arise if the elected member, committee member or employee had any involvement in deciding who gets the funding. • It would be advisable to ask for some guidance on managing the perception of the elected member or employee gaining an advantage over applicants who don't work for Council. • In order to protect reputation of impartiality and that of council, it is advisable to declare the conflict by either completing the Conflict of Interest workflow through Objective here: Conflicts of Interest Workflow Instructions or by using the Conflict of Interest Declaration Form which can be found in Appendix A.
<p>How long does a conflict of interest declaration last for?</p>	<ul style="list-style-type: none"> • Elected members, committee members and employees should revisit their interest declaration whenever their situation changes. This may include: <ul style="list-style-type: none"> ○ A role change or new responsibilities (either within council or with the conflicting party) ○ Being no longer associated with the conflicting party ○ Conclusion of any personal council involvement (e.g. a consent applied for that has been issued) • Elected members, committee members and employees should review any interest annually to ensure that they are protected from the risk of any actual or perceived conflict of interest. It is also employees' obligations to inform future managers of interest disclosure and how it is being managed.
<p>Managing political interests. Being politically active and involved in social campaigns. Note for employees</p>	<ul style="list-style-type: none"> • Declare interest and participation by either completing the Conflict of Interest workflow through Objective here: Conflicts of Interest Workflow Instructions or by using the Conflict of Interest Declaration Form which can be found in Appendix A. • Employees should consider the perceptions others may have of their ability to be impartial, so discuss their involvement with their manager. • Ensure that any personal views or views of the group cannot be perceived as being the view of the Council. • Ensure that when speaking to or on behalf of any group that there is no perception that it is on behalf of Council. • Councillors should be aware of the potential that they will be perceived to have predetermined an issue if it ultimately comes before Council for decision.

Council bottom line expectations

Elected Members, Committee Members and Employees must declare:

- If they have a domestic relationship or other relationship which could cause an actual, perceived or potential conflict of interest;
- employees should not have a person they are in a potentially conflicted relationship with as a direct report.

Council employees should not make any decisions which may lead to, or could be perceived as leading to, personal or family gain, or favouring a particular group of organisation.

Breaches of this policy and above expectations will be viewed very seriously and treated as misconduct under Council's Code of Conduct and Discipline and Procedural Fairness Policy.

Authorised By: 
Clare Hadley
CHIEF EXECUTIVE

DATE OF APPROVAL:

Revision History:	Supersedes previous version
Effective Date:	1 August 2022
Review Period:	This policy will be reviewed every three years.
New Review Date:	March 2025
Associated Documents / References:	Conflict of Interest Procedures Conflict of Interest Guidelines Staff Recognition Guidelines Sensitive Expenditure Policy Code of Conduct Quality Manual
Relevant Legislation	The Local Authorities (Member's Interests) Act 1968 S 40(1) (e) of the Local Government Act 2002 Companies Act 1993 s139 and following amendments.
Policy Owner:	Manager – People and Capability

Appendix A

Conflict of Interests (COI) Declaration Form

Section One: To be completed by the employee disclosing conflict of interest

Details of employee reporting the conflict	
Name	
Position	
Department	
Details of Conflict of Interest Disclosure:	
Date conflict occurred	
Date conflict identified	
Date conflict reported	
Conflict characterised by	<input type="checkbox"/> Relationship with another employee <input type="checkbox"/> Relationship with family or friends <input type="checkbox"/> Relationship with external parties <input type="checkbox"/> Financial Interest <input type="checkbox"/> Outside work activities(paid/unpaid) <input type="checkbox"/> Conflict of duty e.g. member of another public or private organisation <input type="checkbox"/> Other (please specify)
This conflict is expected to last	<input type="checkbox"/> 0-12 months <input type="checkbox"/> >12 months

Section Two: To be completed by Management

Assessment of Conflict	
<input type="checkbox"/>	DOES NOT constitute a conflict of interest, I authorise the employee to continue the activity - <i>go to section 3</i>
<input type="checkbox"/>	DOES constitute an actual, potential or perceived conflict of interest - if ticked, provide a detailed action plan below

It is the responsibility of the manager in receipt of the disclosure to identify and, where necessary, create an action plan to manage the disclosing person's conflict. The action plan should be made in consultation with the disclosing person.

Management action plan:	
I have reviewed this policy and the disclosure made by the employee and request the employee takes the following action to eliminate/manage the conflict of interest	
I will ensure that this action plan is reviewed	<input type="checkbox"/> N/A as the conflict is of a short duration <input type="checkbox"/> Within 3 months <input type="checkbox"/> Within 6 months <input type="checkbox"/> Within 12 months <input type="checkbox"/> Other - Please specify:

Section Three - To be completed by employee

To the best of my knowledge and belief, any actual, perceived or potential conflicts between any duties at Council and my private and or business interests have been fully disclosed in this form in accordance with the Conflicts of Interest policy. I acknowledge, and agree to comply with, any action plan created in the form for removing or managing an actual, perceived or potential conflict of interest.

Council Employee signature	
Date	

Section Four: Management declaration

The actions described in the above plan have been put in place to effectively manage any actual, potential or perceived conflict of interest disclosed. The action plan ensures that the Council's interests and reputation is adequately protected.

Manager	
Date	

Please return the completed form to the People and Capability Team

Conflict of Interests Procedure

Employees Only

