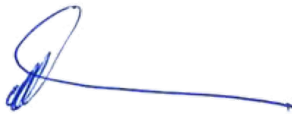


# Conflict of Interest Policy

Greater Wellington Regional Council (“GWRC”) policy to govern identification and management of conflicts of interest for employees and job applicants.

Policy owner	Group Manager, People & Customer
Role administering this policy	Head of Human Resources
Date policy comes into effect	The first working day following the date of approval by the Chief Executive
Related policies and legislation	Human Rights Act 1993 Privacy Act 2020 Local Government Act 2002 Local Authorities (Members’ Interest) Act 1968 Code of Conduct GWRC Collective Employment Agreement and Individual Employment Agreements GWRC Policy for employees wishing to make personal submission to GWRC Recruitment and selection policy GWRC Procurement guidelines
Policy Review date	By 31 December 2024
Policy history	



Chief Executive

Date: 31 May 2023

## 1 Introduction

GWRC relies upon the professionalism and integrity of its employees to make decisions on proper grounds, for legitimate reasons and without bias.

Employees may have a personal interest or obligation that may affect or conflict with their professional job duties or responsibilities.

A conflict may mean that the employee's objectivity or impartiality can be called into question without anyone being at fault. Such conflicts are inevitable in a small country, and with GWRC's functions so broad and far reaching into our community. This is not necessarily a problem if they are identified and managed properly.

Most often, what needs to be managed, and be seen to be managed, is the risk of adverse public perception that could arise from overlapping interests. Poorly managed 'perceived' conflicts of interest can be just as damaging as poorly managed 'actual' conflicts of interest.

## 2 Purpose

This policy provides definitions and a process to identify and manage conflicts of interest with employees and job applicants.

Generally, while employed as a staff member of GWRC, you have the same rights as a member of the public; however it is important that in exercising these rights you act consistently with these guidelines to manage any real or perceived risk of a conflict of interest.

## 3 Definitions and key concepts

The current GWRC employment agreements notes that "any employee who:

- (i) engages in any activity that adversely affects, or may adversely affect, an Employee's ability to carry out responsibilities toward the Employer, or
- (ii) engages, or proposes to engage, in business involving the Employer and any organisation in which the Employee or their immediate family has a pecuniary interest

is considered to have a conflict of interest or a potential conflict of interest."

A conflict of interest can be *actual* (it exists), *potential* (where the conflict is about to happen or could happen) or *perceived*, where other people might reasonably think that a person has been compromised by their interests. This can occur whenever a person's duties or responsibilities as an employee overlap with their other roles and responsibilities.

A conflict of interest usually falls into one or more of these categories:

- **personal** - an opportunity for an individual employee to gain advantage or benefit or to make a statement about or doing something that conflicts with GWRC's position or policy.

Examples include protesting (including activity on social media) about an issue associated with strongly held personal or political views e.g.1080, seeking preference for a hunting ballot, interviewing a job applicant when that person is known to you or working directly with someone whom you have a personal relationship;

- **family** - pressure for an individual employee to assist or provide an advantage or benefit to family or friends. Examples include employees managing a tender or vendor process who are offered gifts or inducements by the vendor (who is a relative) that could be perceived as influencing their decision e.g. free food, travel or accommodation. Another example is where an employee is involved in a GWRC procurement process who owns shares or has another financial interest in a company that is tendering for that business;
- **community** - an opportunity or pressure for an employee to provide an advantage or benefit to a community or stakeholder group. Examples include seeking priority access to councillor forums as a member of a charitable trust, club or association or private company, or not remaining politically neutral on an issue that relates to the employee's role in GWRC. Other examples include processing a consent relating to a community group you are engaged with, or pressure from a community group to move a bus stop.

#### 4 Risks

Employees should manage their interests to avoid a conflict of interest situation arising as this could undermine trust and confidence in GWRC as well as the employee. It is not enough that an employee is honest or ethical, they must be seen to be so. Despite careful management, some actions just might look bad. The risk of negative public perception is more significant when the person concerned is in a senior position and responsible for providing advice to elected members and leading staff.

Pre-existing or inevitable conflicts, such as those that arise from connections or existing interests, are slightly different from a conflict created by pursuing an opportunity while in a position. An employee who wishes to pursue a private interest that might conflict with their role needs to consider the risk of adverse public perception of their actions as this type of conflict is likely to be perceived less favourably, e.g. a private financial interest.

#### 5 Compliance

Employees will comply with the GWRC's Code of Conduct and their employment agreement. When a conflict of interest has been ignored, improperly acted on or influenced actions or

decision-making, the conduct (not the conflict itself) can be seen as misconduct, abuse of office or even corruption.

The Code of Conduct notes that employees will act in a politically neutral manner by “ensuring individual comments do not compromise GWRC e.g. by stating or implying that your personal view on an issue is the view of GWRC or putting yourself in a situation where there is an actual or potential conflict of interest”, and “ensuring your participation in political matters does not bring you into conflict or the appearance of conflict with your duty to act in a politically neutral manner”.

## **6 Managing the conflict**

Employees need to know what a conflict of interest is, comply with the management process and encourage and support their colleagues to do the same.

The GWRC Employment Agreement and Code of Conduct note that employees will discuss the situation and “gain the manager’s approval before commencing any activity, business interest or employment that has the potential to conflict with GWRC activities”.

The GWRC Employment Agreement also notes that “While the conflict or potential conflict continues, the Employee may be stood down on annual leave or leave without pay. A conflict of interest, which is deliberate or pursued knowingly, is regarded as serious misconduct and may result in summary dismissal.”

An employee should consider the effect of choosing to pursue a private or financial interest, where that interest creates a conflict with their ability to perform their job. This requires thinking through possible scenarios, including whether the conflict might affect other areas of responsibility in the future. Their manager should also think through the implications and agree any plan to manage those implications.

### **6.1 Process and decision factors**

The process for identifying and managing conflicts of interest is:

- i. GWRC will provide information for employees on how to identify and manage conflicts of interest. Human Resources will maintain a confidential register of all conflicts of interest and remind employees of the need to declare or update conflicts at least annually.
- ii. Job applicants will answer questions about any relevant conflict/s of interest on GWRC’s vacancy application form. If they are appointed to the position they will transfer information on any conflict noted on the application form to the interests register using the [online form](#).
- iii. The employee will declare or update the conflict of interest (actual, potential or perceived) as soon as it arises or they become aware of it, by discussing it with their manager and by recording it on the [online form](#). If unsure it is safer for the employee to disclose the interest in writing and to raise concerns as early as they become aware of a potential or perceived interest or duty that may conflict with a GW interest. An

interest may also be declared at a meeting or to the meeting chairperson and updated in the conflict of interests register. In the rare case that an employee is aware of an undisclosed interest of another employee, this should be discussed with Human Resources.

- iv. On receipt of the [online form](#), Human Resources will ensure that the manager of the employee and the relevant HR partner are aware of the declaration.
- v. The employee's manager (or other GWRC representatives such as a Group Manager, Manager HR Advisory Services, Head of HR and the CE) will consider the seriousness of the conflict and all available options to manage it. This includes any failure to disclose a conflict and any false or misleading declaration.

They will balance an employee's right to hold outside interests against GWRC's obligation to ensure its affairs are conducted with integrity and transparency. They will also consider the ethical and legal dimensions of the interest.

In weighting up the seriousness, the following factors may be considered

- the seriousness of the connection between the interests<sup>1</sup>
- the risk that GWRC's capacity to make decisions lawfully and fairly may be compromised; and
- the risk that GWRC's reputation may be damaged i.e. "Does the employee's interest create an incentive (or risk of disadvantage) for them to act in a way that may not be in the best interests of GWRC?"

Other factors to consider include:

- do those involved have an undue advantage in any way?
- how transparent were any processes involved?
- what other options were considered, if any?
- How far within the organisation does the conflict extend (i.e. within one team, department, group, organisation wide?)

In deciding how to manage a conflict that could include the closeness of a relationship, the interests of any relative living with the employee are treated as being effectively the same as the interest of the employee.

Options to avoid or mitigate the effects of the conflict of interest include:

- No further action
- Requesting consent from affected parties for the employee's continued involvement
- Restricting the employee's involvement in an activity, access to information or removing them from an area of their work that conflicts with the interest

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<sup>1</sup> Seriousness includes the type or size of the interest, the nature or significance of the decision or activity being carried out, the extent to which the interest could affect or be affected by GWRC's decision or activity and the nature and extent of the employee's current or intended involvement in GWRC's decision or activity.

- Recruiting another party to oversee part or all of the area of work that conflicts with the interest
  - Requesting that the employee to relinquish the interest that is causing the conflict
  - Redeployment or disciplinary action (which could include dismissal) may be considered as a last resort. This option would not be considered a last resort if the Code of Conduct had been breached.
- vi. The manager or GWRC representative (e.g. Group Manager) will decide on the best course of action after discussing it with the employee. They may also seek advice from their manager and/or Human Resources. They will also put the management plan into action and make sure it is effective and update the interests register noting the factors considered and action taken.
- vii. The employee will update or add any conflicts (actual, potential, perceived) into the GWRC conflicts of interests register at least annually. Register themes will be monitored by Human Resources and reported to ELT annually.