

Policy on Managing Conflicts of Interest (for TINZ Directors, Staff, Contractors and Consultants)

Introduction

It is essential to the integrity of Transparency International New Zealand Inc (TINZ) that conflicts of interest are managed properly.

Directors, staff, contractors, consultants and anyone working on behalf of TINZ (“TINZ personnel”) must uphold the principles of integrity, honesty, transparency, openness, independence and good faith. The key principles that all TINZ personnel including consultants and contractors are to uphold are fairness, impartiality, responsibility and trustworthiness.

Given TINZ’s high profile, and strong advocacy for integrity in other significant institutions, we should ensure our own affairs are carefully checked and compliant with TINZ’s principles and policies.

Members of civil society organisations often have a number of professional and personal interests and roles. Occasionally, some of those interests or roles overlap, particularly in New Zealand in the specialist area of governance. Conflicts of interest sometimes cannot be avoided and can arise without anyone being at fault. The existence of a conflict of interest does not necessarily mean that the person has done anything wrong, or that the interests of the organisation have suffered; merely labelling a situation as a conflict of interest does not mean that corruption or some other abuse of office has occurred. However, if the conflict of interest is not well managed and transparent, it may lead to misconduct. An important challenge for TINZ is ensuring that perceptions of conflicts of interest are also managed openly.

The first step is to have an interests register.

The second step is to disclose the interest to the correct people and to appropriately record the interest. A decision is then made as to whether the interest represents a real or perceived conflict and then appropriate management of the conflict is agreed.

What is a ‘conflict of interest’?

A conflict of interest is where:

The duties or responsibilities of Directors, contractors or any TINZ personnel to TINZ could be affected by some *other* interest, close connection or duty that the member or official may have.

A conflict of interest arises where an individual has an interest which conflicts, might conflict, or might be *perceived* to conflict with the interests of TINZ. Consideration has to be given to whether there is a reasonable risk that the situation could undermine public trust and confidence in TI or TINZ. It is not enough that consultants, contractors or TINZ personnel are honest and fair, they should also be seen to be so.

It is important to manage conflicts of interest well as it is not only good practice but it also protects TINZ and the person involved in the conflict of interest. A conflict of interest that is hidden, or that is poorly managed, creates a risk of allegations or perceptions of misconduct or other adverse consequences such as litigation, or actions that undermine TINZ objectivity and impartial assessment and reporting.

For some conflicts of interest it is clear that a TINZ personnel would have to be excluded from being involved in the matter or decision making process, particularly in relation to financial matters and/or where there is potential for corruption through the inappropriate exercise of power and authority.

For example, the following situations must be avoided by all TINZ personnel :

- influencing or participating in a decision to award grants or contracts where the TINZ personnel is connected to a person or organisation that submitted an application or tender;
- being involved in a decision to appoint or employ someone, or review their salary or employment or performance, the TINZ personnel has a personal relationship¹ with;
- conducting business on behalf of TINZ with a company run by someone who the TINZ personnel has personal relationship with.

The Policy

The policy of TINZ is that potential conflicts of interest should be declared in the appropriate way and for any conflicts of interest to be managed in a

¹ A “personal relationship” is defined as one which goes beyond the normal level of relationship which exists between individuals in similar circumstances. This includes any relationship where a reasonable person may believe that power and influence could be exerted for personal gain or adversely affect normal processes, particularly for other people within the working environment.

transparent and appropriate way for the protection of both TINZ and its consultants and personnel.

Declaring Conflicts of Interest

All TINZ personnel (directors, staff, contractors, and consultants) will declare their interests that may conflict with the business of TINZ, in the register of interests. The register will be updated regularly. For Directors, it will be updated in advance of every TINZ board meeting.

When any TINZ personnel realises that they have a conflict of interest, or that there may be a perception of a conflict of interest, they must declare it as soon as is practical. They should declare the conflict of interest to the Chair of TINZ, the Chair of the Ethics Committee, the Executive Officer or the most appropriate person in the circumstances, either verbally or in writing, whichever is most appropriate.

Such declaration does not necessarily exclude the individual from further involvement in the relevant process, or from continued association with TINZ, but it is important the conflict or potential conflict is declared so that consideration can be given to the appropriate way to manage the conflict of interest.

Managing a Conflict of Interest

The Chair of TINZ, or their delegate, is responsible for evaluating, resolving any areas of uncertainty, and making a final decision regarding whether a conflict of interest exists. If there is a conflict of interest one of the following actions will be taken:

1. No action is deemed necessary.
2. The individual may be present during the process or decision-making to provide information but may not participate in general discussions or vote, score or form policy (as appropriate).
3. The individual is excluded from the process or decision-making.

If there is any doubt the Chairperson should discuss the matter with the Ethics Committee or other appropriate expert.

Training and Advice

If any TINZ personnel would like any further training or advice in relation to conflicts of interest they should discuss this with the Executive Officer or the TINZ Chairperson.

Breaches and complaints

All complaints related to directors, staff, contractors or consultants about breaches of this policy should be addressed to the Executive Officer or Chair of TINZ in the first instance. If the complaint is of a serious or complex nature it may be escalated to the Ethics Committee and/or the TINZ Board.

Failure to follow this policy

Any material failure to follow to this policy will be viewed very seriously. In the case of staff, contractors or consultants, it will be considered a breach of contract. For TINZ Directors, it will be considered grounds for resignation.

This policy is subject to and is to be read consistently with the Rules of Transparency International New Zealand Inc.