

CONFLICT OF INTEREST POLICY

1 INTRODUCTION

- 1.1 Every Board member or office holder of Rural Women New Zealand (RWNZ) is likely to have a professional or personal interest or role which might at times conflict with their role at RWNZ.
- 1.2 Some conflicts of interest might not be able to be avoided and can arise without anyone being at fault. They need not cause problems when they are promptly disclosed and well-managed.

2 PURPOSE

- 2.1 This policy has been developed for use by Board members and office holders on how to understand conflicts of interest and how to identify, disclose, and manage them.
- 2.2 The guidance in this policy constitutes good practice and must be applied to any Board member or office holder when carrying out their duties and activities on behalf of RWNZ.

3 WHAT IS A CONFLICT OF INTEREST?

- 3.1 A conflict of interest is where a Board member's or office holder's duties or responsibilities to RWNZ could be affected by some other interest or duty that the Board member or office holder may have. Put most simply, a conflict of interest can arise where two different interests overlap.
- 3.2 Some examples of interests or duties that might give rise to a conflict of interest are:
 - 3.2.1 Being an employee, advisor, director, or trustee of another business or organisation
 - 3.2.2 Having particular interests in a business, or clients
 - 3.2.3 Being a member of a club, society, group, or association
 - 3.2.4 Having a professional or legal obligation to someone else
 - 3.2.5 Owning shares or holding investments or assets
 - 3.2.6 Having received a gift, hospitality, or other benefit from someone
 - 3.2.7 Holding or expressing strong political or personal views that may indicate prejudice or predetermination for or against a person or issue
 - 3.2.8 Family relationships
- 3.3 The existence of a conflict of interest does not necessarily mean that the Board member or office holder concerned has done anything wrong, or that the interests of the organisation have been compromised.

4 POLICY

- 4.1 The Board member or office holder must disclose any financial, professional, or personal interests (direct or indirect), which may conflict, or be perceived to conflict, with their responsibilities on the Board.
- 4.2 The Board shall maintain an interests register which records any interests that Board members may have in regard to their role as a board member of RWNZ.
- 4.3 It is the responsibility of the Board member or office holder to notify the interests to be recorded in the interests register and, in the case of an interest that becomes known to the Board member or office holder at some other time, by advising the National President or Chair that an interest exists and update the interests register accordingly.
- 4.4 A Board member or office holder who believes another Board member or office holder has an undeclared conflict of interest should notify the National President or Chair and specify in writing the basis of this potential conflict. The National President or Chair shall raise the matter with the relevant Board member and, if the interest falls within the definition set out above, record the interest in the Board's interests register.
- 4.5 Where a Board member or office holder has a conflict of interest, that Board member shall not initiate or take part in any discussion on that topic (either in the meeting or with others before or after the meetings), unless expressly invited to do so by unanimous agreement by all other members present.
- 4.6 Where a Board member or office holder has a conflict of interest, that Board member or office holder shall not vote on that matter.

5 EXPLANATORY NOTES

- 5.2 If a matter in which a Board member or office holder has an interest arises at a formal meeting, the Board member or office holder should declare to the meeting that they have an interest in the matter before the matter is discussed.
- 5.3 If the potential for a conflict of interest rises external to a formal meeting, the matter should be raised and discussed with the National President or Chair as soon as the potential for a conflict of interest is identified.
- 5.4 The disclosure of a conflict of interest should include the nature and extent of any interest, including whether they are an office holder and, if so, what office they hold.
- 5.5 An interests register is a way of recording interests of Board members and office holders. An interests register is not a substitute for disclosing and dealing with specific conflicts of interest as and when they arise.
- 5.6 It is always safer to err on the side of openness when deciding whether something should be disclosed. This helps to minimise the risk of the organisation having to defend itself against an allegation of impropriety.
- 5.7 The obligation to disclose is a continuing obligation and conflicts of interest should be disclosed as soon as the Board member or office holder becomes aware of the conflict.

6 EXPLANATORY NOTES ON DISCLOSURES

- 6.2 When a Board member or office holder become of an interest their first step is to disclose the interest. However, the existence of an interest does not necessarily cause a conflict.
- 6.3 A conflict occurs when there is an overlap between the interest and the activities of RWNZ. A good test is to ask – “*Could the person’s other interest create an incentive to act in a way that may not be in the interests of RWNZ?*” If the answer is yes, and even though the person would not act in that way, the fact that it is feasible is enough for there to be a perceived conflict of interest.
- 6.4 Managing conflicts of interest well is not only good practice, but it also protects the organisation and the Board member or office holder involved.
- 6.5 A conflict of interest that is hidden, or that is poorly managed, creates a risk of allegations or perceptions of misconduct and has potential to adversely affect the reputation of the organisation.
- 6.6 Perception is an important factor and it’s important that perceptions are also managed in a fair and transparent way.
- 6.7 The primary obligation to determine the appropriate way to manage a conflict of interest lies with the Board and the Board should carefully consider what, if anything, needs to be done to adequately avoid or mitigate the effects of the conflict of interest.
- 6.8 There may be scope for a range of options and the exercise of discretionary judgement. In these cases, the Board needs to assess carefully the seriousness of the conflict of interest and the range of possible mitigation options. It is about the seriousness of the connection between the interests, the risk that the organisation’s capacity to make decisions fairly may be compromised, and the risk that the organisation’s reputation may be damaged. In making this assessment, the Board needs to consider how the situation may reasonably appear to an outside observer.
- 6.9 Usually, mitigation means that the Board member or office holder withdraws or is excluded from being involved in the organisation’s work on the particular matter.

7 FINANCIAL IMPACT

- 7.2 The budget is to reflect any information and training needs that may be required for compliance with the RWNZ Conflict of Interest Policy.

Approved by the Board on 16 August 2017

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