

Conflict of Interest Policy, Principles and Guidelines

Last Modified	June 2020
Review Date	June 2022
Approval Authority	Chair, University Council
Contact Officer	University Registrar – Vice-Chancellor's Office

Introduction

This document seeks to ensure that in decision-making of the University, conflicts of University members between personal/professional interests, duties of trust or obligations of good faith, and their obligations to or with the University are identified, recorded and appropriately managed.

Definitions

Conflict of interest – a situation in which financial or other personal, employment or professional considerations have the potential to compromise or bias professional judgment and objectivity and covers actual, potential or perceived conflict of interest; see also [Appendix A](#).

Conflict of Interest Register – If an interest is material (see [Appendix A](#)), it may be recorded on a Conflicts of Interest Register (see [Appendix D](#) for an example) or, as part of official University meeting minutes.

Interest in a matter – a direct or indirect connection to another matter separate, but related to, the relevant matter (either in the member's personal capacity, professional capacity outside the University, or, in some cases, with respect to another role held at the University) and covers actual, potential or perceived interest (see also [Appendix A](#)).

Members – members of the University, including members of Council, Council committees and other committees, Council appointees to external organisations, staff, committee appointees and the University's subsidiary or associated companies' staff and board members and other persons contracted to the University.

Register of Interest – a record of actual, potential or perceived conflicts interest that a member identifies. See [Appendix C](#) for an example.

Staff or staff member – person/s engaged for paid employment with the University by way of an employment agreement.

Policy Statement

The purpose of this document is to set out the University's expectations for its members and to ensure compliance with the provisions of the following legislation and good practice guidelines:

- [Section 175, Education Act 1989 \(New Zealand Legislation website\)](#); and
- [Managing conflicts of interest: Guidance for public entities \(Controller and Auditor-General\) \(Office of the Auditor-General website\)](#).

This document should be read in conjunction with related [University policies \(University Policy Library website\)](#), including the following:

- [Consulting Policy \(PDF, 340KB\) \(Staff Only\)](#)
- [Gifts Policy \(PDF, 286KB\)](#)
- [Intellectual Property Policy \(PDF, 534KB\)](#)
- [Procurement Policy \(PDF, 194KB\)](#)
- [Sensitive Expenditure Policy \(PDF, 409KB\)](#)
- [Staff Code of Conduct \(PDF, 429KB\)](#)

Principles

A number of principles should guide and underpin the management of conflicts of interest in the tertiary environment.

1. A conflict of interest may take a number of forms. It may be financial or non-financial. It may be direct or indirect. It may be professional or family-related. A conflict of interest may arise from
 - directorships or other employment;
 - interests in business enterprises or professional practices;
 - share ownership;
 - beneficial interests in trusts;
 - financial profit/gain, or other interest that can be measured in money (pecuniary interest);
 - existing professional or personal associations with the Crown body concerned or with other tertiary education providers;

- professional associations or relationships with other organisations;
 - personal associations with other groups or organisations;
 - the holding of multiple roles within the University; or
 - family relationships.
2. A conflict of interest may be more perceived than actual. Perception is a very important factor in the public sector. Processes must be fair and ethical, and must be very clearly seen to be so.
 3. The determination about a perceived or actual conflict of interest may include legal, ethical, and/or good practice requirements – see [Appendix B "Ethical Expectations"](#). See also [Managing conflicts of interest: Guidance for public entities \(Controller and Auditor-General\) \(Office of the Auditor-General website\)](#).
 4. Conflicts of interest cannot always be avoided. Unavoidable conflicts of interest need to be identified, disclosed and effectively managed.
 5. Managing conflicts of interest well is not only good practice, but it also protects the public entity and the member or official involved. A conflict of interest that is hidden, or that is poorly managed, creates a risk of allegations or perceptions of misconduct, or of other adverse consequences such as litigation.

Ensuring that the public interest is not compromised should be an overriding objective in any management strategy for conflicts of interest.

6. Conflicts of interest must be seen to be managed fairly and effectively. To achieve this, the processes for identifying, disclosing, recording and managing conflicts of interest must be transparent – that is, the processes should be open to scrutiny and should help maintain accountability.
7. All members are individually responsible for arranging their private affairs as far as reasonably possible to prevent conflicts of interest arising.
8. Just because a member has an interest outside work, it does not necessarily follow that there is a conflict of interest. A conflict of interest only occurs if something arises at work that overlaps with the other interest.
9. Conflicts of interest may be discovered and may still have an impact after a member has left the University.
10. The University encourages the training and provision of education opportunities for all members in respect of conflict of interests. It will make this policy accessible to be included in any training or educational exercise organised for its members.

Obligations and Requirements

Obligations Applying to any University Member

- Every University member has an obligation to declare any interests relevant to any University of Canterbury activities and to ensure that any conflict arising from the material interests is noted and managed appropriately.

Note: This sentence will be incorporated under the 'Conflict of Interest' item on all University Council committee agendas.

- Every member who has an interest as described in this policy (see [Appendix A](#)) must declare that interest in writing and ensure that any conflict arising from the declared interest is managed appropriately.
- No member may 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 an interest, except with consent of Council/committee/manager.

For other members, declarations are to be made to their Line Manager. Line Managers should utilise the templates in [Appendix C](#) and [D](#) but should clearly identify these as capturing interests and conflicts for their reporting line.

Requirements Specific to Various Sectors of the University

1. Council and Council Committees

The University Council and Council Committees record interests which are updated monthly in relation to members of Council, and each of the Council committees. Declarations by members of Council, or Council Committees can be made to the Registrar at any time for inclusion.

In addition to general principles of administrative law and good governance, the University is also subject to the specific conflict of interest provisions contained in the [Education Act 1989 \(New Zealand Legislation website\)](#).

The Minister of Tertiary Education (and in line with [s 175 Education Act 1989 \(New Zealand Legislation website\)](#)) expects that any Council or Council committee member will advise the Chair immediately of any circumstances, conflicts of interest, or perceived conflicts of interest that may prevent the Council member from performing his/her role in a fair and impartial way, in the best interests of the institution.

In summary, [section 175 of the Education Act 1989 \(New Zealand Legislation website\)](#) provides:

- A member who has an interest in a matter being considered (or about to be considered) shall, as soon as possible after the relevant facts have come to the member's knowledge, disclose the nature of the interest to the Council, a committee Chair, as appropriate.
- Disclosure is to be recorded in the minutes of the Council/committee.
- Unless the Council/committee decides otherwise:

- The member shall not be present during any deliberation of the matter.
- The member shall not take part in any discussion relating to the matter.

In applying this legislation, key responsibilities are

- for individual members to disclose an interest, and
- for the Council/committee to decide how the disclosed interest will be recorded and managed.

As a mechanism for recording conflicts of interest or the types of ongoing interests that may give rise to a conflict of interest the University Council and Council Committees record interests, as already outlined above. As part of the induction process, new Council members will receive advice on how to identify, report, and manage conflicts of interest. Council and committee agendas will include a standing item for the disclosure of any interest relating to any agenda item.

2. Staff

University staff members must disclose any actual or potential conflict of interest whether financial or otherwise arising in the following circumstances, and unless otherwise authorised in writing University staff members are prohibited from the following:

- Being involved in a decision to appoint or employ a relative.
- Conducting business on behalf of the University with a relative's company or any company in which a staff member or a relative of a staff member has a shareholding or directorship other than a public company.
- Owning shares in (or working for) any organisation that has dealings with (or that are in competition with) the University.
- Being involved in any public consultation process on behalf of the University where the member is involved in the same process on behalf of him/herself, another person/entity.
- Accepting gifts in connection with their official role (see [Gifts Policy \(PDF, 286KB\)](#) for parameters); or 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.
- Undertaking consulting work by staff which may create any conflict of interest with their University duties. Where this may arise, it must be disclosed to the appropriate Head of Department/School (HOD/S) or manager.

See particularly the [Consulting Policy \(PDF, 340KB\) \(staff only\)](#); also the [Procurement Policy \(PDF, 194KB\)](#).

The record of interests and conflicts of interest for the Senior Leadership Team (SLT) are held by the Vice-Chancellor. SLT members may make disclosures to Vice-Chancellor or the Registrar. SLT report to Vice-Chancellor on any new or changes to recorded disclosures on a 6 monthly basis.

Line Managers across the University are responsible for helping their reporting staff members to comply with their obligations under this policy by

- building general awareness of the risks of conflicts of interest inherent in the work of the people they manage;
- making staff members aware of the policy and procedures regarding conflicts of interest;
- advising and directing staff members as necessary about appropriate ways to manage any conflict of interest;
- ensuring that conflicts of interest involving their staff members are managed appropriately;
- assisting any staff member who discloses a conflict of interest to develop an appropriate strategy to manage the situation;
- reviewing and endorsing plans to manage any conflict of interest; and
- monitoring the work of their staff members and the risks associated with a conflict of interest.

Line Managers are also responsible for ensuring that staff members' conflict of interests are recorded (for example on the on the Service Area/College conflicts register). Records of interests and any identified conflicts will be discussed with the relevant SLT member annually or as soon as possible if circumstances require it.

If the member's immediate manager or supervisor has a conflict of interest in the matter, the member must disclose the conflict of interest to the next higher level of authority.

3. Contractors/Consultants/Providers

Contractors, consultants and other service providers engaged by the University will be expected to comply with this policy. Any member involved in engaging contractors, consultants and other service providers must provide them with a copy of this policy and obtain their written commitment to abide by it.

Conflicts of interest in relation to consultants, contractors and goods/service providers (those under a "contract for service"), may arise as a result of

- a University 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; and/or
- the consultant, contractor or service provider having an "interest in" or relationship with a third party outside of the University which could influence their relationship with the University.

Consultants, contractors, and providers of goods and services are required to disclose to the University at the time of their engagement any potential conflicts of interest with their engagement. As an outcome of this disclosure, the University may insert an appropriate

clause into any formal agreement/contract to manage the disclosed situation should that be possible. In some cases, the University will reserve the right to terminate agreements or contracts which are compromised as a result of a conflict of interest.

For contractors, consultants and providers of goods who are engaged by staff members, disclosures should be made to the staff member procuring their services. If the staff member receiving the disclosure is not a Line Manager, they must disclose the interest to their immediate Line Manager.

4. Joint Ventures/Partnerships/Companies

Prior to commencing any involvement in a joint venture, partnership or company, the University will obtain assurances about the policies and practices to be adopted by those entities around conflicts of interest.

University of Canterbury appointments to any governance Board of such entities will be provided with advice and education to ensure that they are fully conversant with “good practice” in conflicts of interest and their responsibilities as a director.

5. Students

Student representatives on Council or Council committees are bound by the same obligations as other members (see [1. Council and Council Committees](#)).

For clarity, students employed by the University are also staff members, so are not to create any conflict of interest with their University duties. Where this may arise (for example, consulting work) it must be disclosed to the appropriate HOD/S or manager. See the [Consulting Policy \(PDF, 340KB\) \(staff only\)](#).

Options for Avoiding or Mitigating a Conflict of Interest

There are a broad range of options available to members for avoiding or mitigating a conflict of interest. The options (listed roughly in order of lowest to highest severity) include

- acting upon a suspected or possible conflict by disclosing the same to Council/Committee Chair or manager and requesting guidance; enquiring as to whether all affected parties will consent to the member’s or official’s involvement;
- seeking a formal exemption to allow participation (if such a legal power applies);
- imposing additional oversight or review over the official;
- withdrawing from discussing or voting on a particular item of business at a meeting;
- exclusion from a committee or working group dealing with the issue;
- re-assigning certain tasks or duties to another person;
- agreement or direction not to do something;
- withholding certain confidential information, or placing restrictions on access to

information (this might sometimes include post-employment restrictions, such as those imposed under a restraint of trade agreement);

- transferring the member or official (temporarily or permanently) to another position or project;
- relinquishing the private interest; or
- resignation or dismissal from one or other position or entity (it might even be necessary to refrain from having further dealings with a person or organisation).

The [Tertiary Education Commission \(Tertiary Education website\)](#) has also provided guidelines and while similar, these provide useful context and examples.

Education/Advice/Training

The University is committed to the following education and training on conflict of interest matters for its members:

- The Registrar will provide new Council/committee members with an induction about this policy, and their personal obligations relating to conflicts of interest.
- As part of the induction of new staff to the University, information will be provided and guidance given on this policy.

For new SLT members and their direct reports, Human Resources will direct them to the office of the Registrar who will provide advice on conflicts of interest.

- Giving the policy profile within the organisation through various means to encourage training. For further information, see the [State Services Commission resource kit \(State Service Commission website\)](#).

Disputes Procedures

In the event of any dispute arising in relation to this policy, or in relation to any allegation of bias, conflict of interest, or other potential breach of this policy, resolution shall be sought in accordance with the following procedures:

University Council and Council Committee Members

- a) The issue should be raised in the first instance with the Chancellor or committee Chair;
- b) If a resolution cannot be reached, the matter should be referred formally to the Registrar.

Other members

- a) The issue should be raised in the first instance with the member's immediate manager or supervisor.
- b) If the member does not agree with the decision of their immediate manager or supervisor they may raise the matter with the relevant Line Manager.

Breach

Any breach of this policy by a member may constitute a breach of that member's appointment, contract or employment terms, and could invoke disciplinary procedures by the University or consequences consistent with their relationship with the University.. These include the possible termination of rights to study, or termination of contracts or agreements, as the case may warrant.

Guidelines

Flowchart: Identifying and Disclosing a Conflict of Interest

– see [Appendix E](#)

Flowchart: Deciding on Actions to Take to Avoid or Mitigate the Conflict of Interest

– see [Appendix F](#)

Related Documents and Information

Legislation

- [Crown Entities Act 2004 \(New Zealand Legislation website\)](#)
- [Education Act 1989 \(New Zealand Legislation website\)](#)
- [Local Authorities \(Member's Interests\) Act 1968 \(New Zealand Legislation website\)](#)
- [NZ Public Health and Disability Act 2000 \(New Zealand Legislation website\)](#)

UC Policy Library

- [Consulting Policy \(PDF, 340KB\) \(Staff Only\)](#)
- [Gifts Policy \(PDF, 286KB\)](#)
- [Intellectual Property Policy \(PDF, 534KB\)](#)
- [Procurement Policy \(PDF, 194KB\)](#)
- [Sensitive Expenditure Policy \(PDF, 409KB\) \(Staff Only\)](#)
- [Staff Code of Conduct \(PDF, 429KB\)](#)

UC Intranet and Website

- [UC Procurement Manual \(University Financial Services webpages\) \(Staff Only\)](#)

External

- [Managing Conflicts of Interest: Guidance for Public Entities \(Controller and Auditor-General\)](#)

- [State Services Commission resource kit \(State Service Commission website\)](#)
- [“A guide to managing conflicts of interest for TEI councils” \(Tertiary Education Commission \(Tertiary Education website\)\)](#)

Appendices

- [Appendix A: Explanation of Terms and Examples of Interests](#)
- [Appendix B: Ethical Expectations](#)
- [Appendix C: Register of Interests](#)
- [Appendix D: Conflict of Interest Register](#)
- [Appendix E: Flowchart: Identifying and Disclosing a Conflict of Interest](#)
- [Appendix F: Flowchart: Deciding on Actions to Take to Avoid or Mitigate the Conflict of Interest](#)

Notes

The **Conflict of Interest Policy** was first developed in 2010, following an external review of conflict of interest policies and practices at the University of Canterbury. Legal advice was sought in the development of that iteration and also obtained as part of the May 2019 revision.

Document History and Version Control Table			
Version	Action	Approval Authority	Action Date
<i>For document history and versioning prior to 2013 contact ucpolicy@canterbury.ac.nz</i>			
1.00	Conversion of document into new template and hyperlinks updated	Policy Unit	Sep 2013
1.01	Document review date pushed out.	Policy Unit	Mar 2014
1.02	Hyperlinks updated, formatted.	Policy Unit	Jul 2014
2.00	Scheduled review by Contact Officer.	Policy Unit	Jul 2015
2.01	Updates to Procurement Policy hyperlink; clarification of scope of register of interests to bring in line with changes to 2016 Delegations Schedule.	Policy Unit.	Mar 2016
2.02	Added reference to Local Authorities (Member's Interests) Act 1968.	Policy Unit	May 2017
3.00	Major changes, content added around line manager responsibility, reformatting of content and flow charts in appendices.	Chair, University Council	May 2019
3.01	Minor changes including replacing Senior Management Team with Senior Leadership Team to reflect the current University structure.	Policy Unit.	June 2020

This policy remains in force until it is updated.

[Appendix A](#)¹

Explanation of Terms and Examples of Interests

Conflict

A conflict of interest can occur when the activities of a University Member outside their employment with the University leads, or could lead, to material benefit for the member concerned, either directly or indirectly. This can also occur when the member has competing internal interests due to them holding different roles within the University. A conflict of interest may also relate to activities which interfere, or could interfere, with a member's fulfilment of their employment obligations. Any reference to a conflict is a reference to a real, perceived or potential conflict.

Determining an Interest

In determining whether a member has an "interest" in a "matter" requires consideration of two issues, namely

- Is there a "relevant matter" in which there may be an "interest"?
- Does the member have an "interest in" the matter?

The scope of "relevant matters" is considered to encompass

- the exercise or performance of a function or duty of the Council/Committee;
- an arrangement, agreement or contract to which the University is a party; and
- a proposal that the University enters into an arrangement, agreement or contract.

As a guideline, a University Member could be considered as having an "interest" in a matter when the member

- is a party to or will derive financial benefit from the matter;
- has a financial interest in another party to the matter;
- is a director, member, official, partner or trustee of another party or person who will or may derive a financial or some other non-pecuniary benefit from the matter;
- is the parent, child, spouse or partner of another person who will or may derive a financial or some other non-pecuniary benefit from the matter;
- is involved with a political organisation for whom the matter is politically significant;
- is otherwise directly or indirectly interested in the matter.

¹ [Reference for Examples of Interest: The University of Auckland Policy on Conflict of Interest, June 2009, 7.0 now superseded. See also [Managing Conflicts of Interest: Guidance for Public Entities \(Controller and Auditor-General\)](#).

The above list draws upon matters of conflict identified, in part, in the [Public Health and Disability Act 2000 \(New Zealand Legislation website\)](#). Of further assistance in understanding what types of interest might be relevant to an inquiry into conflicts is the [Local Authority \(Members' Interests\) Act 1968 \(New Zealand Legislation website\)](#). This Act provides further parameters which may assist members determine whether they have a pecuniary interest in a matter; including when a member is deemed to have a personal connection with a third party and when a member is considered to benefit from an arrangement, agreement or contract.

Non-pecuniary interests are considered to arise from conduct that indicates prejudice or predetermination about a matter or when there is a non-pecuniary but close relationship or involvement with an individual or organisation impacted by or likely to benefit from a matter.

It is important that members remember that the question of whether one has an interest in a matter can be highly subjective, and whilst this policy, and the legislation referred to in it can help provide a member with a feel for when a conflict might arise, this is not an area where members should assume that hard and fast rules apply. Conflicts of interest involve judgement calls, and if a member considers that they may have an interest in a matter, they should take steps to declare and resolve the possible conflict.

Materiality

The materiality of a concern or interest depends on the context and is a matter of judgement. The amount of financial benefit or loss involved, the level of involvement as a percentage of the total operation of the company or organisation, and the degree to which the person is able to make or influence a University decision are relevant. Everyone covered by this policy should opt for disclosure if in doubt.

Pecuniary interest (Financial Interest)

A member has a direct pecuniary interest in a discussion relating to the setting of fees for services from which that member would receive income should they provide those services. They have an indirect pecuniary interest if their partner, close relative or friends would receive income or other benefits from the services.

Involvement in a company

A member has an interest which must be declared if they are employed by a company, or are a director or owner or controller of a company, or have shares in a company or their family trust, partner, or close relative or friend has such shares in a company which is seeking to do business with the University.

Family interest

A member has a family interest in a matter if their partner or another person in their family is employed by a company, or they or their family or family trusts are a director or owner of a company which is seeking to do business with the University.

This means, for example, that a disclosure of interest is required when

- a) the member becomes involved with a matter which relates to duties undertaken as a University consultant or in the exercise of rights of private professional practice;
- b) the member is a consultant, director, shareholder or an employee of or to a third party in some current or proposed relationship with the University;
- c) the member is providing professional advice or services to a third party in some current or proposed relationship with the University;
- d) a decision of the University might affect a consulting or other relationship (e.g. board membership, directorship) of a Member with a third party;
- e) a member is involved in a third party which is active in the same sphere of activity as the University or one of its subsidiaries;
- f) a member has a close relationship with a person who in their own right or through a company is transacting business with the University;
- g) a member has accepted gifts (including loans of money or property) from a party seeking to do business with the University, or that party provides services which compete with those provided by the University;
- h) a member is on a committee which is to consider an appointment, scholarship or other matter for which a person in their family, or a person with whom the Member has (or has had) a close relationship, is an applicant or candidate;
- i) a member is on a non-University committee, government board or similar where there is, for example, control over allocation or awarding of research funding, receivable by the University or any other benefit income or consequences flowing to the University.

Non-pecuniary interest

A member has a non-pecuniary interest if they have publicly stated, or are well known as having, a view on a particular issue and where participation in a decision touching or concerning that view, might suggest the member's mind is made up (bias). Also included would be cases where a member showed an unwillingness to fairly consider the view of others, or was not prepared to be persuaded by evidence or argument, or took a fixed view where that view precluded a balanced consideration.

Third party interests

A conflict of interest will arise when a member is associated with a party which takes actions that affect the University through the various agreements, including purchase agreements and alliances, the University has with third parties. It is crucial that a member with such an interest in a matter is not perceived to be representing the interests of the University and that a member's outside activities do not compromise the integrity of their teaching or research or employment as a member. Members should not take any actions which might be perceived as promoting the interests of the third party in a matter of themselves.

Appendix B

Ethical Expectations

- Public business ought to be conducted in the spirit of
 - integrity,
 - honesty,
 - transparency,
 - openness,
 - independence,
 - good faith, and
 - service to the public².

- These principles should guide any decision-making about conflicts of interest.

- There is no single source of rules or expectations specifying what constitutes ethical behaviour for all situations or all public entities. Any rules or expectations applying to a particular situation, public entity, member, or official may come from a variety of sources, including:
 - the entity's founding or constituting document;
 - the entity's code of conduct or relevant internal policies and procedures;
 - other sets of mandatory requirements that apply to the public sector or a particular part of it (such as the Code of Conduct for the State Services, or the Cabinet Manual, or the State Services Commission's Board Appointment and Induction Guidelines);
 - relevant clauses in an employment agreement or contract for services;
 - rules of conduct or codes of practice applying to members of a profession or industry;
 - general guidance or best practice publications;
 - customary practice and behaviour in the public sector or a particular part of it;
 - commonplace understandings of the concepts of integrity, honesty, transparency, openness, independence, good faith, and service to the public; and
 - analogies drawn from legal rules that apply to similar situations.

[Reference: Controller and Auditor-General: *Managing Conflicts of Interest: Guidance for Public Entities*, June 2007, NZ, pp 15-16]

² The State Services Commission's *Code of Conduct for the State Services* summarises the key principles as being fair, impartial, responsible, and trustworthy.

Appendix C

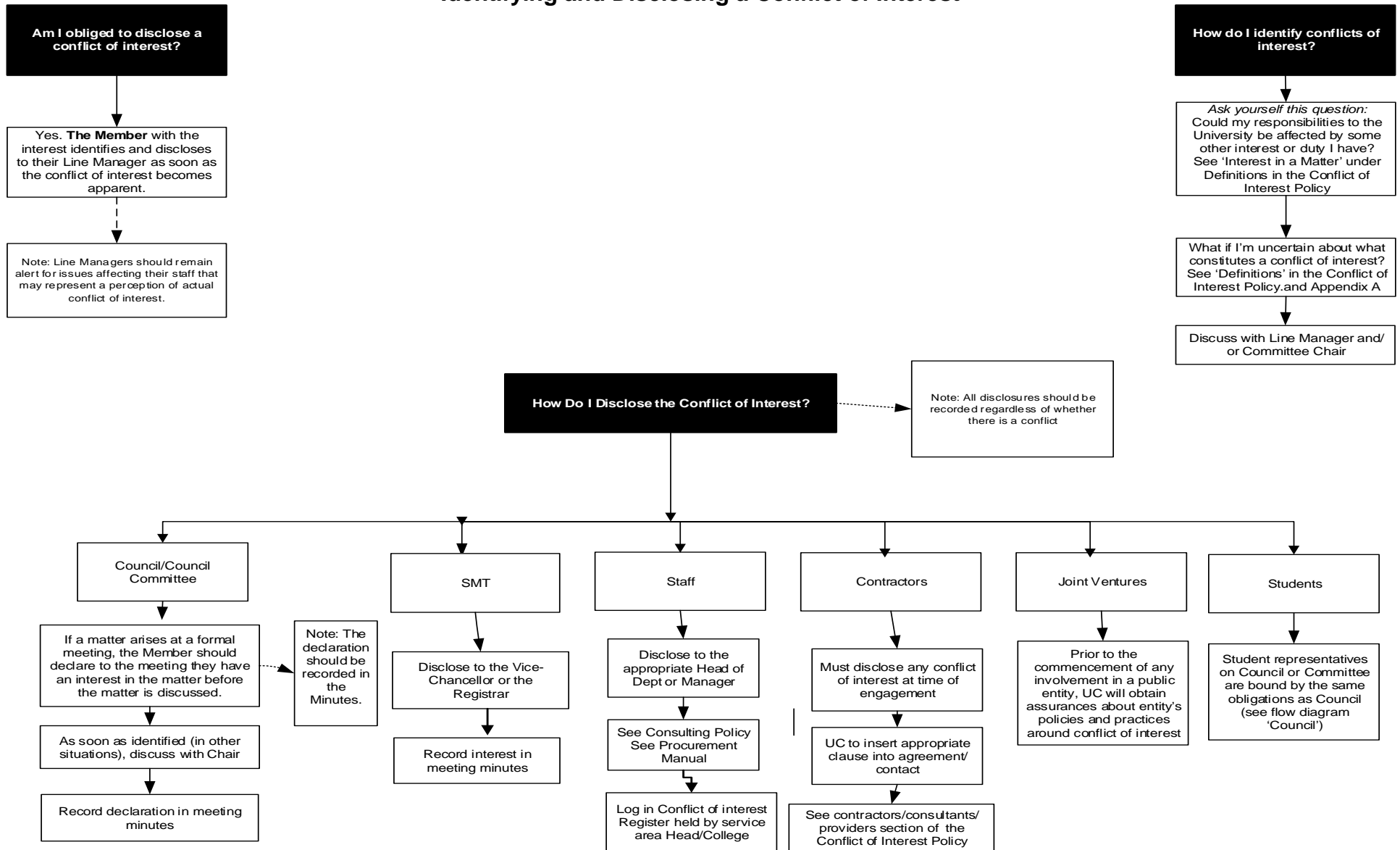
Register of Interests				
Name	Date notified	Person and/or organisation with interest	Nature of interest	Reason for its inclusion

Appendix D

Conflict of Interest Register				
Name	Date notified	Nature of conflict or interest	Actions taken to mitigate risk	How it will be further managed?

Appendix E

Identifying and Disclosing a Conflict of Interest



Appendix F

Deciding on Actions to Take to Avoid or Mitigate the Conflict of Interest

