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Introduction

What the Organisation expects of its representatives

No surprises

The Organisation expects the Board to work with them on a "no surprises" basis to maintain a healthy relationship.

A "no surprises" approach is part of an overall responsibility of the Board to consult and ensure that their Key Constituents are actively involved in decisions affecting their collective and individual future.

A "no surprises" way of working is not intended to interfere with the Boards statutory functions, nor with Boards' operational responsibilities.

In general, the Organisation expects the Board to:

- be aware of any possible implications that their decisions and actions may have for wider Organisation implications
- inform the Organisation in advance of any major strategic initiatives.

This Code of Conduct is designed to give substance to the Organisation's expectations.

Integrity and conduct in relation to Organisation affairs.

Transparency

Board members are appointed by their Takiwa and their ongoing tenure is dependant on the Takiwa having the trust and confidence in them, both collectively and individually, to implement the decisions of the Organisation. For this reason Board Members of the Employer shall always act in such a manner that those actions can never be perceived to have been in their own personal interest at the possible expense of the interests of the Employer.

General Comment by Trustee, on Employer Policies

The business of the Employer is the business of the Organisation, and as such can be subject to scrutiny and criticism by those with contrary views. In these circumstances it is the role of the Board to defend, or justify policy, not that of the Chief Executive. The Chief Executive's role is limited to explaining the policy and processes of the Employer. To ensure that there is a coherent and consistent voice being heard, all comments by and on behalf of the Organisation shall only be:

1. given by the Chair of the Board; or
2. any other Trustee specifically delegated the task by the Chair from time to time.

Personal comment by Trustees on Employer Policy

As with all other New Zealanders, Board Members enjoy a democratic right of free speech. The possible tension which can arise is where this democratic right is exercised in such a manner as it compromises their ability to operate effectively as a collective, or it erodes the level of trust which the people of The Organisation have a right to place on office holders and the Employer itself. For this reason Board Members shall not:

1. express their personal views whilst representing The Organisation, or in any other fora, in such a way as it could be taken as being given in their official capacity as a Trustee;
2. personally attack any other Trustee, or employee of the Employer;
3. criticise any Employer policy or programme in which they have been personally involved;
4. behave in a manner which could be perceived to be strong or persistent criticism of a policy or programme which may call into question their ability to impartially support it;
5. subject to law, use or reveal any information gained in the course of official duties, that is not already known, or readily available, to the general public.

Integrity and conduct in relation to the Organisation

Fairness in processes and decision making

The Board is morally obliged to ensure that it performs its functions not only effectively and efficiently but also in a manner consistent with the spirit of service to the Organisation. Trustees will therefore ensure that:

1. all individuals and organisations with whom the Board has dealings will be treated in a fair and impartial manner,
2. the manner in which policies are applied is done in a way which is consistent for all stakeholders;
3. the decision making process of the Board and managers is open and transparent, is able to withstand Organisation scrutiny and to be seen to have been fair and reasonable in the circumstances; and
4. the Board and Employer exercise only their authorised powers and do so properly.

Integrity and conduct in relation to the Employer

No Trustee shall use information gained in their role as a Trustee for any other purpose, nor shall they disclose any such information to persons outside of the Employer.

Use of financial and other resources of the Employer

The Employer receives its funding by way of an appropriation from Organisation resources, and therefore are accountable to the Organisation for the efficient and effective and lawful use of that money.

This imposes two relevant collective duties on Trustees, namely a duty to ensure that their entities operate in a "financially responsible manner" and a duty to ensure that they perform their functions efficiently, effectively and consistent with the spirit of service to the Organisation.

The Board shall therefore manage Organisation assets and liabilities in a manner which will ensure its long-term financial viability and endeavour to ensure it remains a going concern. The Board will ensure that the Employer has effective financial and other management systems in place to meet this obligation. To do this the Board shall ensure that;

1. all expenditure is properly authorised and represents value for money in terms of the purpose and objectives of the Employer;
2. non-financial resources such as communications equipment are used only for legal purposes, and only with proper approval; and
3. there are systems and policies in place which cover
 - a. the use of credit cards, including spending limits;
 - b. the giving of koha;
 - c. use of the internet and email facilities;
 - d. the use of Employer property (including vehicles); and

e. entertainment

Gifts

The acceptance of gifts by Trustees could compromise, or be seen to compromise, the integrity of the individuals receiving the gift, and the Employer in general.

A "Gift" is interpreted broadly, and can include a present, an award, hospitality, a prize, cash or remuneration of any nature, services, travel, entertainment or accommodation provided by any person outside of the Employer. It can include a corporate sponsorship, personal air points, sponsored travel, and discounted or free products.

The key principle here is that Trustees are remunerated for doing their job and must not use the role to obtain other benefits nor must they abuse their position for personal gain. In this context gifts may be acceptable if they do not place the recipient under any obligation to the giver and could not reasonably be regarded as doing so. Trustees therefore must not:

1. solicit any gift in connection with their duties; or;
2. accept a gift whatever its nature or value if it is (or could be seen as being) an inducement or reward which might place the recipient under an obligation to a third party.

What constitutes an acceptable gift for a Trustee?

1. As a general "rule of thumb" an acceptable gift is a gift which is perishable in nature and or has a cost of less than \$50. Generally food and drink will fall into that category and so will such things as promotion products such as pens etc.
2. Where a Trustee is offered a gift which falls outside of the above, or which the Trustee feels unsure about, the Trustee must confer with the Chair of the Board before acceptance if this is possible to do without giving offence to the person giving, for direction.
3. Where the Trustee has accepted a gift of any nature this must be reported to the Chair of the Board. The fact that the gift has been received will be noted on a "Gift Register" along with the estimated value of the gift and its final disposition.
4. Where a "Gift" is made and accepted, and the estimated value of that gift is in excess of \$50, the gift will become the property of the Employer.
5. Because of the possible affront to the giver of any gift, the Employer shall not sell or otherwise dispose of any gift without the express knowledge and approval of the giver.

Personal integrity and conduct

To maintain the confidence of the Organisation, the Board must conduct its affairs impartially. Doubts about impartiality can arise very quickly if decision-makers have, or are thought to have, personal interests that affect their decision-making or their advice, i.e. if they have conflicts of interest.

Conflicts of interest are not limited to financial interests and relationships. The Office of the Controller and Auditor-General writes:

"... a conflict of interest exists where two different interests are at odds. In other words, where your responsibilities ... could be affected by some other separate interest or duty that you may have in relation to a particular matter. That other interest or duty might exist because of: a relationship or role that you have; or something you have said or done".

The Board will therefore put in place;

1. A Deed of Confidentiality and Conflict of Interest which all members will be required to be signatories to;
2. A register to record declared conflicts of interest by Board members declared conflicts of interest to the Chair of the Board, which will be reviewed at least annually;
3. Procedures for identifying any real or possible conflicts of interest for Board members (Appended as Appendix 1);
4. Procedures for managing declared real or possible conflicts of interest for Board members (Appended as Appendix 2);
5. Procedures by which the Chair can grant a Trustee permission to act despite having a declared interest in the matter before the Board.
6. Where the Chair exercises their discretion and grants a Trustee permission to act, the Board will disclose any interest to which a permission relates in its annual report, together with a statement of who gave the permission and any conditions or amendments to, or revocation of, the permission.

In addition the Board will also ensure that the Employer has in place for its employees;

1. A Deed of Confidentiality and Conflict of Interest which all employees will be required to be signatories to;
2. A register to record declared conflicts of interest by employees declared conflicts of interest which will be reviewed at least annually;
3. Procedures for managing declared real or possible conflicts of interest for employees which will include the following options as a minimum;
 - a. **transfer** – the ability to transfer the employee to other areas of work until the conflict has been resolved;
 - b. **withdrawal** – the ability of the employer to direct that the employee cease the activity which is giving rise to the conflict;

- c. **waiver or approval** – a process by which the employer can waive any objection to the employee carrying out the activity, or approve the employee engaging in that activity. Any such waiver or approval must be in writing and document the rationale used by the employer to reach such a decision;
- d. **resignation** – a process whereby the employee, when where the options above are not practical or do not enable the matter to be resolved in a way that the employee is able to accept, the ability to resign from Employer.

Private activities by Board Members

The Employer has no legitimate interest in the private conduct of a Trustee. The only time that the private conduct of a Trustee will become of interest to the Board is where that conduct could be seen to;

1. reflect to the discredit of The Organisation in its relationships with others, and/or
 2. possibly call into question the person's fitness for continuing in their role.
- Whether the private activities of a Trustee are a matter of interest to the Board will depend on:

1. the nature and circumstances of the activity
2. the position, duties and responsibilities of the person concerned (for example whilst a particular piece of behaviour may be acceptable for a Trustee it may not be acceptable for the Chairperson)
3. the effect of the activity on the ability of the Trustee to fulfil their duties and responsibilities

Therefore where the private activity of a Trustee is brought to the attention of the Board the resolution of the matter will become the business of the Board and will be recorded in the minutes as such including the final disposition of the matter.