

SCHOOL PROCEDURE 63: CONFLICT OF INTEREST

Rationale:

A conflict of interest is a circumstance in which someone's personal interests, obligations or relationships will or may influence the decisions that they make on behalf of the school that they represent. Education and Training Act 2020, section 669(3)(b).

When a person has a conflict of interest, their decisions could be (or perceived to be) biased. Decisions could be (or perceived to be) made in their own personal interests and not in the interests of the school that they represent.

There are three types of conflicts of interest:

- Actual - the conflict already exists
- Potential - the conflict will, or could, happen in the future
- Perceived - a neutral person outside of the situation could interpret the circumstances as a conflict of interest

A conflict may arise from:

- family relationships
- professional or personal relationships
- interests in businesses
- interests in trusts
- interests in other groups or organisations
- the acceptance of gifts or other benefits

The existence, or perception of, an incentive to act in a particular way on a school's behalf is a potential problem. It does not matter if the person would actually act on their incentive.

A conflict of interest arises where a board member or employee of the school has an interest which conflicts, or might conflict, or might be perceived to conflict with the interests of the school. The key question to ask when considering whether an interest may create conflict is:

"Does the interest create an incentive to act in a way which may not be in the best interests of the School?"

If the answer is yes, a conflict of interest exists. The existence is sufficient to create a conflict. Whether or not the appointee would act on the incentive is irrelevant.

Also refer to, Whareorino School Board Policy Framework.

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. Such an interest may arise through but are not limited to:

- holding office, serving on the board, being part of management or being otherwise employed (or formerly employed) with any third party dealing with the school;
- receiving remuneration for services with respect to individual transactions involving the school;
- using the school's time, personnel, equipment, supplies or goodwill for other than the school's approved activities programmes and purposes,
- receiving personal gifts from third parties dealing with the school, except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

Purpose:

The board accepts that it has a responsibility to have in operation internal procedures for identifying actual or potential conflicts of interest that may exist within the school.

The board and management employees have the responsibility to exercise their best care, skill and judgement for the sole benefit of the school. Those persons shall exercise the utmost good faith in all transactions involved in their duties and shall not use their positions or knowledge gained from there for their personal benefit. The interests of the school must be the first priority in all decisions and actions.

The fact that an interest exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily averse to the School.

It shall be the continuing responsibility of the board and management employees to scrutinise their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

Key Elements of Systems for recording and managing Conflicts of Interest are:

- Regular agenda item to ascertain at board meetings whether any board member or management employee has a potential conflict of any specific agenda item.
- The board member or management employee is excluded from the discussion and approval of any issue where there is a declared interest. The withdrawal should be noted on each occasion in the minutes.
- Where a board member has a declared interest in a transaction exceeding \$50,000, the board must seek approval from the Secretary of Education prior to entering into the contract. If such approval is not obtained the board member is disqualified from being a board member of the board. Refer to website below: procurement conflict of interest declaration & confidentiality agreement
-
- A competitive tender process has been undertaken for any transaction where a board member/management employee has a declared interest.
- All applications for vacant positions in the school are considered in accordance with the principle that all school appointments shall be made according to the board's appointment policy, procedures, and board delegations to the principal.
- Where a related party of a board member or management employee applies for a position at the school, the board member or management employee must declare their interest and take no part in the recruitment process.
- A board member or management employee who is able to influence the management or promotion of a staff member, who is a related party, must declare their interest and take steps to ensure that no conflict of interest arises.

This procedure is intended to be consistent with the requirements of the Privacy Act 2020.



C. Stevenson
PRINCIPAL

Dated: March 2022

[Procurement Conflict of Interest Declaration & Confidentiality Agreement](#)

[Commercial Conflict of Interest Declaration](#)