

Finance and Performance Committee

Meeting of 23 September 2026

Business Unit: Corporate

Date Created: 11 September 2026

Conflicts of Interest

Purpose Te Aronga o te Pūrongo

To present a report to the Committee describing the current controls that are in place with regards to Conflicts of Interest and Gifts.

Recommendations Ngā Tūtohunga

That the Committee receives the Conflict of Interest report.

Report prepared by:

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Approved for submission by:

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General Manager - Corporate

1 Background Ngā Kōrero o Muri

1.1 The Audit Office describes conflicts of interest as being:

“Where the responsibilities you have as an employee or office holder in a public organisation are affected by some other interest you have in your personal life.”

1.2 In a country as small as New Zealand, the potential for conflicts of interest is likely to arise – particularly in councils that service smaller communities. There is nothing wrong with having a conflict of interest, provided that it is managed appropriately and that the public have confidence that:

- Decisions are made impartially.
- Decision-making is not influenced by personal interests or hidden motives.

1.3 Gifts are included in this area of work due to the potential to create conflicts of interest. There is also a public perception element that is particularly sensitive in this space, as the receipt of gifts can create an impression (real or perceived) that a Council member or officer will no longer behave impartially.

1.4 Conflicts of interests are also colloquially referred to as simply “interests”.

1.5 The Audit Office provide best-practice advice for public sector organisations (including local authorities) to manage conflicts of interest. These apply to both elected members and Council staff.

2 Strategic Fit Te Tautika ki te Rautaki

2.1 This item supports the strategic priority of “Value for money and excellence in local government” by providing assurance that conflicts of interest are appropriately identified, declared and managed, supporting transparent and accountable decision-making across Council.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

Elected Members

3.1 Elected members are guided by three main frameworks with regards to interests:

- Local Government Act 2002 (LGA 2002): Section 54A-54I covers the register of members’ pecuniary interests, and annual reporting requirements.
- Local Authorities (Members’ Interests) Act 1968 (LAMIA 1968): Covering contracts (the \$100k contracting rule) and abstaining from decisions involving pecuniary interests.
- Code of Conduct (Elected Members): Sections 8, 9 and 10 provide further guidance around interests, gifts and ethical behaviour.

3.2 In the pursuit of streamlining and simplifying these requirements for elected members, the current process for identifying and managing interests are three-fold:

- An Annual Return Form is sent to members in January each year, requesting information to support compliance with the LGA 2002, LAMIA 1968 and Code of Conduct.
- Each Council and Committee meeting has an item at the beginning of the meeting to ask members if they foresee themselves having any interests with regards to items on the agenda.
- Gifts over \$50 must be disclosed to the Chief Executive, for inclusion in the publicly available register of interests.

3.3 Member's interests are recorded in a register in the Council's internal document management system and held for seven years. A summary of this information is published on the Council's website, in accordance with the LGA 2002 requirements. This summary only includes that information which is required by the LGA 2002 (not necessarily those required by the LAMIA 1968), although the public can also see interest declarations in Council and Committee minutes.

Staff

3.4 Interests for staff are not governed by the LGA 2002 or LAMIA 1968, but are instead covered by several policies including:

- Code of Conduct (Staff)
- Conflicts of Interest and Gifts Policy
- Disciplinary Policy
- Fraud and Corruption Policy
- Procurement Policy

3.5 Procedurally, staff are asked to declare any interests upon commencing their employment at MDC. Staff are also requested to review their interests on an annual basis – this was most recently completed in August 2026.

3.6 Interest declarations are reviewed by a staff member's manager and mitigations are discussed and approved as a part of this process. Gifts are subject to GM approval (or Executive Officer approval if under \$30).

3.7 Significant interests are required to be recorded in a "Managed Mitigation Agreement". This is an agreement between a staff member and their manager and is kept on that individual's personnel profile.

3.8 Interests that include related parties (e.g., a staff member is closely related to a Council contractor) are annually checked against all relevant transactions within the Council's financial system, to ensure that staff members have not had any involvement in purchase orders (creation or approval) relating to those organisations.

4 Risk Assessment Te Arotake Tūraru

- 4.1 Council's Risk Appetite Statement identifies an **Averse to Minimalist** appetite for Legal Compliance risk and a **Cautious** appetite for Reputational risk. The effective identification and management of conflicts of interest supports Council in operating within these appetite levels.
- 4.2 Poorly identified or managed conflicts of interest may result in non-compliance with statutory requirements, actual or perceived bias in decision-making, and loss of public confidence in Council. The controls outlined in this report are intended to mitigate these risks through the identification, declaration, recording and appropriate management of interests.

5 Engagement Te Whakapānga

Significance of Decision

- 5.1 The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Māori and Cultural Engagement

- 5.2 There are no known cultural considerations associated with the matters addressed in this report. No specific engagement with Māori or other ethnicity groups is necessary.

Community Engagement

- 5.3 No community engagement is warranted.

6 Operational Implications Ngā Pānga Whakahaere

- 6.1 There are no operational implications with this report.

7 Financial Implications Ngā Pānga Ahumoni

- 7.1 There are no financial implications with this report.

8 Statutory Requirements Ngā Here ā-Ture

- 8.1 Member's responsibilities in this space are governed by the LGA 2002 (Subpart 3, sections 54A – 54I) and LAMIA 1968.

9 Next Steps Te Kokenga

- 9.1 There are no next steps.

10 Attachments Ngā Āpitihanga

- Nil.