

Conflict of Interest Policy – Employees

HR23-OP (Superseding OP1013 Conflict of Interest Staff Policy v1)



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1. Purpose

The purpose of this policy is to outline how conflicts of interests will be managed by MacDonnell Regional Council (MRC) in line the *Local Government Act 2019* and related regulations, general instructions, guidelines and any reporting to the NT Independent Commissioner Against Corruption (NTICAC).

2. Scope

This policy applies to all employees of MRC including directors, contractors and consultants interacting with council.

3. Objectives

- 3.1. In upholding its value of accountability MRC must ensure that all employees execute their role in way that is transparent and accountable to the CEO, Council and the constituents of the MacDonnell Regional Council.
- 3.2. To maintain the public confidence in the Council and its operations.
- 3.3. That all MRC employees understand the statutory requirements outlined in the Act and related regulations regarding interests, influence and their obligations in relation to those interests.

4. Definitions

Conflict of Interest	A conflict of interest may arise if an employee, or their associate (e.g. relative, partner, friend, or employer) has a personal or financial interest in the outcome of a council decision or MRC operations.
Conflict of Interest - financial	This is an interest that a person has in a matter because they are likely to or expect to make money for themselves or their associate (e.g. relative, partner, friend, or employer), or cause a loss to another person.
Conflict of Interest – non-financial	This is any private interest that does not relate to money, such as the provision of facilities or services which will benefit the member or their associate (e.g. relative, partner, friend, or employer)
Interests	An interest is a matter of personal or financial benefit to that individual.
Improper disclosure of information	Use of confidential Council information to gain an unfair advantage for yourself or others.
Independent Commissioner Against Corruption (ICAC)	MRC is classified as a public body in Section 16(1) of the <i>Independent Commissioner Against Corruption Act 2017</i> (the Act).
	Mandatory reporting of suspected improper conduct applies to all public bodies and associated public officers as defined in Section 16(2) of the Act.

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5. Statement

- 5.1. MacDonnell Regional Council (MRC) supports an open, transparent and accountable public administration with a commitment to impartial decision making free from improper influence and bias. MRC acknowledges that for effective governance, that any conflict of interest or influence, perceived or actual, must be disclosed and then dependant on those conflicts, take action to mitigate those conflicts.
- 5.2. This policy supports and should be read in conjunction with the relevant Code of Conduct for employees.
- 5.3. Failing to follow this or the above policies, procedures and codes may result in both disciplinary action and may result in a charge of an offence in accordance to the Act section 178.

6. Interest

An interest is a matter of personal or financial benefit to that individual.

6.1. Financial interests:

- 6.1.1. Shares
- 6.1.2. Trustee or beneficiary of a family or business trust
- 6.1.3. Owner of real estate
- 6.1.4. Directorship of a company
- 6.1.5. Partnership
- 6.1.6. Substantial source of income (could be from additional employment)
- 6.1.7. Debts

6.2. Non-financial interests:

- 6.2.1. Family,
- 6.2.2. Friends,
- 6.2.3. Associates or
- 6.2.4. Political membership
- 6.2.5. Other memberships of another organisation (not for profit, sporting bodies, clubs and association)
- 6.2.6. Hostility or competition with another individual, family or group
- 6.2.7. Future employment or business ventures

6.3. Conflict of interest

- 6.3.1. Conflict of interest occurs when:
 - a. An employee or their family member, close friend or business partner may or may be perceived to gain (receive money, work or other benefit) from a decision of the Council or the operations of MRC.
 - b. When an employee makes a decision or influences a decision and puts their own interests or their family, friends or business partner's over the Council or the operations of MRC.

6.4. Types and examples of conflicts

- 6.4.1. Financial conflict of interest - tendering and purchasing
 - a. Example: A manager has received quotes from companies that supply printing paper for MRC. The manager has shares in one of the companies that has provided a quote. This may affect, or it may reasonably be perceived that it could affect, the manager's ability to make an unbiased decision when considering the quotes for printing paper.

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- 6.4.2. Non-financial conflict of interest- recruitment and selection
 - a. Example: A coordinator is hiring a new youth engagement officer. A team leader is on the recruitment panel and one of the applicants is the team leader's niece. The team leader would not be seen as impartial when considering the applicants.

7. Disclosing interests

7.1. Related parties

- 7.1.1. This policy does not cover related parties disclosure as this is covered in a separate policy FA06-CP Related Parties Disclosure Policy.

7.2. Annual Interests – directors

All directors must complete a HR23-F1 Annual Return on Interests Form - employees which will be recorded on the HR23- R1 Annual Return of Interests Register – employees (directors) as required by the Act:

- 7.2.1. The following persons must submit an annual return to the council containing the details prescribed by regulation (an annual return of interests):
 - a. a CEO;
 - b. a senior council employee
- 7.2.2. Each person mentioned in subsection (a) or (b) must submit the annual return of interests:
 - a. within 14 days of the commencement of the person's employment; and
 - b. by no later than 30 September each year for the duration of the person's employment.
- 7.2.3. However, if the person has submitted an annual return of interests after 31 March in a calendar year, the person is not required to submit another return before 30 September in that year.

7.3. Managing a conflict of interest

As per section 179 of the Act (Offences for conflict of interest), it states that a person commits an offence if:

- 7.3.1. the person is a staff member; and
- 7.3.2. the staff member has a personal or financial interest in a matter in regard to which the member is required or authorised to act or give advice; and
- 7.3.3. the member does not disclose the interest:
 - a. if the staff member is the CEO – to the council; or
 - b. in any other case- to the CEO

A person commits an offence if:

- 7.3.4. the person is a staff member; and
- 7.3.5. the person has a personal or financial interest in a matter in regard to which the member is required or authorised to act or give advice; and
- 7.3.6. the person acts in the matter in a way other than as authorised by the CEO or the Council (as the case requires)
- 7.3.7. Some instances where an employee of MRC may be involved or have influence over MRC operations are the following:
 - a. As a member of a tender selection / procurement panel;
 - b. As a member of a recruitment/interview panel;
 - c. In the determination of development applications;
 - d. Considering/deciding grant applications;
 - e. Managing and supervising employees and
 - f. General decision making.

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7.4. **Disclosing a conflict of interest**

- 7.4.1. In the case that a conflict of interest arises, the individual employee must:
- Notify their immediate supervisor and/or person leading the decision making (for example the hiring supervisor)
 - Complete, as soon as practicable the HR23-F1 Declaring a Conflict of Interest Form – employees. A supervisor may do this on behalf of the employee.
 - Email to both their manager and director or director and CEO. A supervisor may email on behalf of the employee.
 - Until the manager, director or the CEO has assessed the conflict of interest the employee is not to act or continue to act while there is a conflict of interest.

7.5. **Acting with a declaration of a conflict of interest**

- 7.5.1. The CEO determines through this policy that a director may approve an employee to continue to act while there is a conflict of interest. For directors they must have approval from the CEO.
- 7.5.2. On receiving a declaration of conflict of interest, the manager, director or CEO must assess the HR23-F1 Declaring a Conflict of Interest Form – employees, assess the conflict of interest and recommend the most suitable action.
- 7.5.3. It is preferred that the employee with the conflict of interest be removed from the duties or role that create the conflict of interest. A non-exhaustive list of possible actions taken to minimise the conflict of interest are as follows:
- Register: it may be appropriate that no action is taken however, it is appropriate to record why this decision is made.
 - Restrict: Limiting involvement by the employee concerned, to discussion.
 - Recruit: Appointing another employee to sit-in on discussions and review decisions.
 - Remove: Removing the source of the conflict by removing personal interest.
 - Resign: No involvement at all.
- 7.5.4. Email the Records Officer to record the declared interest into the HR23-R1 Declaration of Conflict of Interest Register – employees This register will be reviewed at the ELT Governance meeting. Where there is an item on the conflict of interest on the register that is relevant to a director, that director will be excluded from the discussion.

7.6. **Supervising a family member**

- 7.6.1. MRC prefers that family members are not employed into positions where one may supervise the other.
- 7.6.2. Where this is unavoidable as determined by the relevant director or the CEO, the following must happen:
- Employees must maintain professional relationships with family members regarding their employment and position duties.
 - All decisions regarding performance review, performance management, discipline, leave approvals and timesheets must be referred to another suitable supervisor up to the next level of management. For example a team leader supervising the assistant team leader, refers to the council services coordinator.

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8. Policy Details

Replaces Policy No: (if applicable)	OP1013 – Conflict of Interest – Staff Policy v1
Responsible Directorate/Department:	Corporate Services – Governance and Compliance
ELT Approval Date:	11 May 2021
ELT Minutes Reference:	ELT Item # 4
Review Cycle:	May 2025 – Review every four (4) years or after changes to relevant legislation.

9. Legislation and References

Related Legislation:	<i>Local Government Act 2019</i>
Related Policies:	N/A
Associated Documents:	HR23-F1 Annual Return on Interests Form
	HR23-R1 Declarations of Conflicts of Interest Register – employees

10. Version Control

Version No.	Approval Date	Policy No.	Minutes reference and Resolution number
1.	26 October 2012	1013	ELT Item # 11.13
2.	11 May 2021	HR23-OP	ELT Item # 4