

**Methodist Church of New Zealand
Te Hāhi Weteriana O Aotearoa**

Administration Division
PO Box 931
CHRISTCHURCH

Information Leaflet No. 109

Updated to Conference 2012

**AVOIDING
CONFLICTS OF INTEREST**

Introduction

The UK Charities Commission notes: "It is inevitable that conflicts of interest occur. The issue is not the integrity of the Trustee concerned, but the management of any potential to profit from a person's position as Trustee, or for a Trustee to be influenced by conflicting loyalties. Even the appearance of a conflict of interest can damage the charities reputation so conflicts need to be managed carefully."

Conference 2012 approved a process by which Parishes, Boards and Committees can manage real and potential conflicts of interest.

Conflicts arise because of the many interests we hold and the significant roles we may have in several organisations.

Conflict of Interest Register

The Board of Administration has been asked by Conference to ensure that the Church has an appropriate policy and practice to identify, record *and manage* Conflicts of Interest. This arises from requirements of the Charities Commission *and the knowledge that this is best practice and as such needs to be part of our decision making processes.*

There are *three* key aspects *for addressing* a potential or real conflict of interest. A clear process for recording a conflict, a straight forward understanding of when a conflict has occurred or might occur *and a process to manage decision making when there is a conflict.*

What is a Conflict of Interest?

"A conflict of interest is any situation in which a Trustee's personal interests, or interests that they have to another body, may (or may appear to) influence or affect the Trustee's decision making".

A real or potential conflict of interest does not prevent a member of a Parish or Board from the provision of goods and services or providing information or sharing in discussion. But it does mean that in such a situation the person must declare the interest and unless determined otherwise would not participate in the decision making process.

Examples:

The church cleaner is related to a member of Parish Council. If performance issues arose or the rate of remuneration was being discussed the Parish Council member would have a conflict of interest and not take part in the discussion or decision.

A new church is being built. A member of the property committee is very interested in being considered for the work. This member is able to give information to the committee as it briefs an architect and moves towards going to tender. It would not be appropriate to be part of the process of deciding the successful contractor.

At a Face to face meeting when a Stationed appointment is under discussion a couple helpfully declare that the prospective Presbyter is the daughter of their best friends. The match is clearly a good one and no issues or questions are raised. The couple share in the conversation and add their consent to the consensus decision. If it had not turned out so well and a division of

opinion was evident it would have been appropriate for the couple to withdraw from the final decision.

Recording Process

It is suggested that a Parish or Board would:

1. Have a register where ongoing real or potential conflicts are recorded. In practice this could be on the last page of the minute book and occur at the AGM or the first meeting after the AGM every year.
A form is attached which can be used by members.
2. Ask the question at the beginning of every agenda:
Does any member have a real or potential conflict of interest with respect to matters to be considered at this meeting? The answer to this question would be recorded in the minutes.

If during the course of the meeting a member becomes aware of a real or potential conflict of interest it would also need to be declared and recorded.

Decision Making

1. Ensure the members present decide if a conflict of interest precludes the conflicted member from participating in that item of business. A member may provide information and share in the discussion but not take part in the formal decision process when a significant matter is under consideration. If a minor matter just being aware of the conflict or potential may be sufficient
2. Ensure decisions made and declared conflicts of interest are recorded in the minutes.
e.g. xxx did not participate in the decision making process due to a declared conflict of interest.

Recording Decisions

It is important that decisions to be clearly recorded in the minutes. With the adoption of consensus processes the recording of decisions still needs to note that a matter has been agreed or carried by consensus.

Application of Conflict of Interest

The Board of Administration is asking that all Parishes and Boards of the Methodist Church of New Zealand institute a conflict of interest policy and process.

Some Boards and Committees in the MCNZ already have an appropriate conflict of interest policy and process to record conflicts of interest. As long as it complies with the intent of the process outlined in this paper the process does not need to be changed.

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Conflict of Interests Disclosure Form

Date: _____

Name: _____

A conflict of interest, or an appearance of a conflict, can arise whenever a transaction, or an action, of a Methodist Church of New Zealand, Board, Committee or Council conflicts with the personal interests, financial or otherwise, of that of a Board, Committee or Council member, or an immediate family member of a Board, Committee or Council member, or that the Board, Committee or Council member's employer (collectively "your personal interests").

Please describe below any relationships, transactions, or positions you hold (volunteer or otherwise), or circumstances that you believe could create a conflict of interest, now or in the future, between the Methodist Church of New Zealand Board, Committee or Council on which you serve and your personal interests, financial or otherwise:

_____ I have no conflict of interests to report.

I have the following conflict of interests, or potential conflicts of interests, to report:

1. _____

2. _____

3. _____

I understand that it is my obligation to disclose a conflict of interests, or appearance of a conflict, to the chair of the Board, Committee or Council when a conflict, or appearance of a conflict, arises, and that for transactions in which I have a conflict, I will abstain from any vote on the matter involving the conflict.

Signature: _____ Date: _____