



AUDIT AND RISK

POLICY TITLE:	(24) REGISTER OF INTERESTS
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1. POLICY OBJECTIVES

The purpose of this policy is to guide the Trust, Trustees and Trust staff on managing “interests” so that the potential for conflicts or perceptions of conflicts are negated or at least minimised. If not well managed, a conflict of interest could lead to decisions which are not in the best interests of the Trust, create disputes, or damage the Trust’s reputation.

2. PRINCIPLES

Trustees have an obligation to act at all times in good faith and in the best interests of the Trust; the policy applies to BayTrust Trustees, BayTrust staff, BayTrust Advisors and members of any Trust-appointed committee.

This policy is to be read in conjunction with the Community Trusts Act 1999 and Sections 11, 12 and 13 of the Trust Deed [Amended 21.11.02]. Trustees may also refer to the Local Authorities (Members Interest) Act 1968 Part 3.

To ensure that conflicts of interest are properly managed is crucial to reducing legal and reputational risk and demonstrating the integrity of Trustees and staff of BayTrust.

3. DEFINITIONS

What is a Conflict?

A conflict of interest may arise when a Trustee, staff member or Advisor has an interest in a matter that conflicts, or may be perceived to conflict, with the interests of the Trust, where their impartiality in respect of Trust business is, or may be, affected.

The Trust Deed (clause 11 (a)) outlines the circumstances in which a Trustee may have a financial interest in a transaction. In essence, a financial interest arises when a Trustee, staff member or Advisor, family member or whanau stands to benefit financially from a Trust decision or discussion, through an expectation of either financial gain or averting financial loss.

A conflict of interest may also be non-financial, for example if there is the possibility, either actual or perceived, of bias on the part of a Trustee, staff member or Advisor because of a conflicting interest or relationship.

A useful question to ask when considering whether an interest might create a conflict is: Does the interest create an incentive for the Trustee, staff member or Advisor to act in a way that may not be in the best interests of the Trust and its stakeholders. If the answer is yes, a conflict of interest exists. The existence of the incentive is sufficient to create a conflict, whether or not the Trustee would act on it.

What may or may not constitute an actual or potential conflict is best assessed on a case by case basis, with independent advice if appropriate.

4. POLICY STATEMENT

Trustees are responsible for ensuring robust policies and procedures are in place to:

- a. Assist Trustees identify and record any conflicts of interest that may arise; and
- b. Enable the Trust to manage any Trustee, staff member or Advisor conflicts of interest effectively and transparently.

Trustees are also responsible for ensuring that the CEO has policies and procedures in place, based on principles similar to this policy, to enable employee/contractor conflicts of interest to be managed appropriately.

5. PRACTICES

Disclosure

Disclosure of interests is covered in clause 12 of the Trust Deed which states:

“A Trustee who is in any way, whether directly or indirectly interested in a contract or proposed contract or arrangement or dealing with the Trust as described in clause 11 shall disclose the nature of that interest at a meeting of the Trustees and such Disclosure shall be recorded in the minutes of the meeting.” This definition also applies to Trust staff and Trust Advisors.

Responsibility for disclosing an actual or potential conflict of interest lies primarily with the Trustee, staff member or Advisor. This should be done at the earliest opportunity, to the Chair and/or the earliest available meeting of the Trust or Trust committee.

Any other Trustee, staff member or Advisor may bring a conflict circumstance to the attention of the Chair.

Trustees and Trust Staff are responsible for ensuring the Trust's Register of Interests is accurate and up-to-date in respect of themselves.

Managing Conflicts of Interest

Conflicts of interest can be managed in a number of ways including:

- a. The Trust will maintain a Register of Interests for all Trustees and staff, updated at least annually.
- b. Disclosures and abstentions will be recorded in Trust minutes.

Meeting Procedure

- a. Withdrawing from discussions

A direct financial interest will require that the Trustee, staff member or Advisor does not participate in that part of the meeting dealing with the matter concerned. The Trustee may

wish to withdraw from the meeting. The minutes must accurately record the disclosure, withdrawal and return to the meeting once the decision has been made.

a. Voting and quorum: financial interest

Clause 13 of the Trust Deed sets out the voting procedures to apply in the case of a financial interest.

b. Abstaining from voting (non-financial or indirect financial interests):

- (i) The Trust may require the member to leave the meeting until the discussion has concluded and a decision has been made and/or vote taken;
- (ii) Or, the Trustee may be expected to abstain from discussion and from voting on the matter concerned;
- (iii) Or, the Trust may grant a formal waiver to allow the conflicted Trustee's non-voting participation in the discussion, particularly where the Trustee is able to provide relevant information without compromising the Trust's impartiality.

Ongoing Conflicts of Interest

In the case of a significant, actual ongoing conflict of interest the member may request, or the Trust may invite, the member's leave of absence from the Trust while the conflict exists.

Induction

Induction for new Trustees and staff will include guidance on the Trust's policies on conflicts of interest.