



Pacific Association of Supreme Audit Institutions (PASAI)

Conflict of Interest Policy

Access to information

All PASAI members, PASAI office holders, PASAI staff and others persons participated on PASAI programs and activities

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Issued and effective

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Review

Policy reviewed in November 2022 and to be reviewed every two years [next review November 2024]

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Applicable to

All PASAI office holders, PASAI staff and others persons participated on PASAI programs and activities

Issuer

Chief Executive for PASAI

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SECTION I - PURPOSE

1. The purpose of this policy is to establish rules and procedures enabling the effective disclosure, assessment, and management of conflicts of interest relating to the business and activities of the Pacific Association of Supreme Audit Institutions (PASAI).

SECTION II - SCOPE

2. This policy applies to:
 - (a) PASAI's office holders (including the Chairperson, members of the Governing Board, the Secretary-General, and their delegates);
 - (b) PASAI's staff (including the Chief Executive, employees, consultants, and contractors); and
 - (c) other persons (including staff of PASAI members) who participate in PASAI activities and receive personal financial benefit from doing so (whether or not PASAI is the funder of an activity).
3. All individuals to whom the policy applies should read the policy and understand its requirements and objectives, and must comply with its processes willingly and proactively.

SECTION III - POLICY

What is a conflict of interest?

4. A conflict of interest exists when:
 - (a) an individual's duties or responsibilities in relation to PASAI could be affected by some other interest or duty that the individual has; or
 - (b) an individual has an interest in a matter of PASAI's business that could create an incentive for them to act in a way that may not be in the best interests of PASAI.
5. A conflict of interest could arise in a wide variety of ways, including through:
 - (a) a financial interest (for example as an owner, shareholder, paid office holder, or employee) in an organisation that interacts with PASAI, whether the interest arises for:
 - i. the individual personally;
 - ii. a member of their family; or
 - iii. a business associate;

- (b) an association or relationship with another individual or organisation, including a past association (for example, as a former employee or office holder of an organisation), that interacts with PASAI; or
 - (c) something the individual may have said or done, that could affect their impartiality or objectivity as a participant in PASAI's business or activities.
6. A conflict of interest could be:
- (a) actual (for example, an actual financial interest in another organisation), or perceived (for example, if the individual's interests or conduct could invite questions about the integrity of PASAI's decision-making); and
 - (b) current, or potential.
7. Sometimes a situation may be more accurately termed a "conflict of duty" or "conflict of role", but this policy uses the general term "conflict of interest" to cover all situations.

PASAI's approach to conflicts of interest

8. It is important for PASAI to apply the highest standards to how it manages conflicts of interest, consistent with the standards of integrity expected of, and by, its members.
9. Therefore, PASAI is committed to managing conflicts of interest in keeping with best practice internationally, as applied by its members.
10. Under this policy, conflicts of interest are managed using a three-step approach:
- (a) regular disclosure of interests by individuals;
 - (b) assessment of each disclosure in relation to the significance of an interest in PASAI's activities and interests; and
 - (c) active management of those interests that are assessed as being in conflict with PASAI's activities and interests.
11. In recognition of its Secretariat's location in New Zealand, PASAI will apply the Auditor-General of New Zealand's 2007 best practice guide, *Managing conflicts of interest: guidance for public entities* (the NZOAG Guide), when giving effect to this policy.

The guide is accessible at <https://oag.parliament.nz/2020/conflicts>

Step 1: Disclosing interests

- 11.1 Individuals to whom this policy applies must disclose any interest that could amount to a conflict of interest, as defined by this policy.
- 11.2 Office holders and staff (as defined by this policy) must make a disclosure of interests:
- at the time of their appointment, and at least annually thereafter; and
 - whenever required as a matter of personal integrity, including under PASAI's Code of Conduct or in keeping with good corporate governance practice.
- 11.3 Other individuals covered by this policy must make a disclosure of interests when requested by the Chief Executive.
- 11.4 Standing disclosures must be made using the form in *Appendix 1*. Specific disclosures must be made at the outset of a meeting, when requested by the person chairing the meeting, or before the applicable item of business is discussed.
- 11.5 The disclosure form also requires disclosure of gifts or corporate hospitality received by the individual. These could also give rise to a conflict of interest. Any gifts or hospitality are assessed under PASAI's Code of Conduct.

Step 2: Assessing disclosed interests

- 11.6 Each disclosure of interests must be assessed in keeping with this policy, to determine whether it amounts to a conflict of interest and, if it does, how the interest should be managed.
- 11.7 Assessing an interest, and deciding whether it amounts to a conflict of interest, is an important activity for a number of reasons, including:
- Effectively identifying and managing conflicts of interest is essential to PASAI's integrity, and to the reputations of its members.
 - Not every disclosed interest amounts to a conflict of interest. For example, an interest may be so insignificant, or remote, that it could not reasonably be regarded as influencing the individual concerned. However, it is still important that the interest is disclosed and the assessment recorded.

- Conflicts of interest can significantly affect an individual and be a source of stress and anxiety to them. It is important that interests are assessed and managed promptly, fairly, and consistently. That will, in turn, encourage further disclosures.

11.8 The guiding principle in the assessment process is that a person who has, and discloses, an interest is not usually in the best position to decide whether the interest is in conflict with their other duties or interests. Therefore, no one may assess their own disclosure.

11.9 The procedure for assessing declarations is:

- The Secretary-General and the Chairperson will review disclosures by PASAI's office holders and their delegates, or any disclosure involving the personnel of a development partner of PASAI.
- The Secretary-General will review the Chief Executive's disclosures.
- The Chief Executive will review disclosures by PASAI staff, consultants, and contractors, and other individuals to whom the policy applies.
- If an interest is disclosed in the course of a meeting (for example, a meeting of the Governing Board), the person chairing the meeting will rule on the interest in keeping with normal meeting practice.
- If any of the above would involve someone assessing their own disclosure, an alternative assessment process is to be devised.

11.10 The OAGNZ Guide, and its case studies and examples, will be the primary reference for assessing disclosures.

Step 3: Managing conflicts of interest

11.11 When an interest is assessed to amount to a conflict of interest (as defined by this policy), the person responsible for assessing the interest must develop a response plan.

11.12 The management response may vary depending on the nature of the interest disclosed, the seriousness of any perceived or actual conflict with PASAI interests, and the role and seniority of the individual in relation to PASAI or its activities.

11.13 A financial interest, whether direct or indirect, should normally result in disqualification of the individual from participating in decision-making.

- 11.14 In other cases the response may, for example, include:
- excluding the individual from decision-making on, but not discussion of, a matter at a meeting;
 - restructuring a decision-making process (for example, a tender assessment panel) to reduce the individual's potential level of influence (for example, by establishing a panel to make a decision rather than leaving the decision in the hands of one individual);
 - restricting the individual's access to confidential information; or
 - requiring a declaration of confidentiality.
- 11.15 Those determining a management response are encouraged to refer to the NZOAG Guide and to seek advice before making a decision. Sources of advice could include the Office of the Secretary-General.
- 11.16 A conflict of interest response plan must be recorded in writing, and discussed with the individual concerned before being finalised. As part of the plan, a non-excluded individual should be encouraged to co-operate with the response and agree to make further disclosures should circumstances change.
- 11.17 In the case of a meeting, the declaration of interest, any ruling by the person chairing the meeting, and any action to manage a conflict, must be recorded in the minutes of the meeting.

Interests register

12. All disclosures of interests, the outcome of the assessment of the interest, and any management response must be entered into PASAI's interests register. The template for the interests register is in *Appendix 2*.
13. The register is administered by the Office Coordinator, and will be in spreadsheet form held in a secure electronic folder. Disclosure forms and management plans will be held either in hard copy or scanned into the secure folder.
14. The contents of the register and the associated documents are confidential to the Chief Executive, the Office Coordinator, the Secretary-General, and the Chairperson.

Other relevant policies

15. Avoiding conflicts of interest is only one element of personal integrity of individuals, on which PASAI relies.
16. Other relevant policies that may affect the application of this policy include:
 - PASAI Financial and Asset Management Policy;
 - PASAI Governance and Operational Policy;
 - PASAI Human Policy;
 - PASAI Investment Policy
 - PASAI Fraud Policy; and
 - PASAI Code of Conduct, especially for the requirement to disclose gifts and hospitality.
17. Individuals may also be required to comply separately with the conflict of interest disclosure requirements of a funding agency or of their own SAI.

SECTION IV – EFFECTIVE DATE

The Policy is effective as of 12 February, 2016.

SECTION V – REVIEW DATE

The Policy was reviewed in November 2022 and is to be reviewed after two years from this last review date.

SECTION VI – ISSUER

The Issuer of this Policy is the Chief Executive for PASAI.

SECTION VII – CONTACT AND ACCESS

1. **Contact.** For questions relating to this Conflict of Interest Policy, please contact PASAI Secretariat at secretariat@pasai.org.
2. **Access.** The Policy can also be accessed at <https://www.pasai.org/pasai-policies>

SECTION VIII – RELATED DOCUMENTS

1. PASAI Charter
2. PASAI Incorporated Rules
3. PASAI Governance Code
4. PASAI Code of Conduct Policy
5. PASAI Financial and Asset Management Policy
6. PASAI Governance and Operational Policies
7. PASAI Fraud Control Policy
8. PASAI Human Resource Policy
9. PASAI Communication strategy
10. PASAI Gender Policy
11. PASAI Procurement Policy
12. PASAI Whistleblowing Policy
13. PASAI Contract Management Policy

Appendix 1: Interests disclosure form



Pacific Association of Supreme Audit Institutions (PASAI)

Declaration of interests, gifts, and hospitality

Name and Designation:

1. I declare that, to the best of my knowledge, I do not have:

(a) any financial interest (for example, a shareholding in or a source of income from) held by myself, my spouse or partner, or a close family member or business associate in an organisation that:

- i. is currently involved in the supply of goods or services to PASAI; or
- ii. is, or may in the future be, a tenderer or applicant in a procurement process run by PASAI (whether in its own capacity or in conjunction with a development agency or other funding body); or
- iii. has an interest in any such procurement process, whether as an adviser, a funder, team member, or otherwise; or
- iv. is, or may in the future be, a recipient of funding for an activity run by PASAI (whether or not PASAI is the provider of the funding);

(b) any current or recent employment or contractual relationship with an organisation of a type mentioned in paragraph (a) (Note: previous relationships in the past five years should be disclosed);

(c) a spouse or partner, or any relative, close friend, or business associate who is currently connected with an organisation of a type mentioned in paragraph (a) – for example (but without limitation), as an office holder, contractor, or employee; and

(d) any personal inclination, bias, obligation, allegiance, or loyalty that could in any way affect my ability to carry out my duties for PASAI impartially and objectively.

Except as set out below:

2. I undertake to make any further declaration of any actual or potential interest of a type mentioned in paragraph 1. I also agree to accept PASAI's assessment of any conflict of interest arising from my disclosure, and to co-operate fully in PASAI's actions to manage the conflict.

3. I declare that I have not received any gift or corporate hospitality above a value of NZ\$50 from any organisation of a type mentioned in paragraph 1 within the past five years, except as set out below:
4. I undertake to comply with PASAI's Code of Conduct in all respects relating to this declaration and any future declarations.
5. In signing this declaration, I understand the importance of the need to safeguard PASAI's integrity as an organisation, and the integrity of its members, and to protect myself and PASAI's other office holders and staff from allegations of commercial or professional impropriety.

Signed:

Dated :

For the Financial year ended:

Declaration reviewed and assessed by :

Dated :

Appendix 2: Interests Register

CONFIDENTIAL



Pacific Association of Supreme Audit Institutions (PASAI)

Register of Interests

This register is maintained in keeping with PASAI's Policy on Conflicts of Interest.

Each interest declaration should be entered into the register on receipt, and the register updated when:

- the interest has been assessed and/or a management response developed; or
- a further declaration of interest is made.

Declaration forms are held in alphabetical and date order in the conflicts of interest file.

Gifts and hospitality declared in an interests declaration are to be recorded in the "Interests Declared" column.

Office holders

Name, role, title of office holder	Date of last declaration	Interests declared	Conflict assessed? Y/N	Management response

Staff, consultants, contractors

Name, position, title of staff member	Date of last declaration	Interests declared	Conflict assessed? Y/N	Management response

Others

Name, role of individual	Date of last declaration	Interests declared	Conflict assessed? Y/N	Management response