

# **Code of Conduct**

## **Elected Members**

Amended November 2013

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## Part 1 Introduction

Schedule 7 of the Local Government Act 2002 (the Act) requires each local authority to adopt a code of conduct. Once adopted, all elected members are required to comply with the code.

This code of conduct provides guidance on the standards of behaviour that are expected from the mayor and elected members of Whangarei District Council. The code applies to elected members in their dealings with:

- each other
- the chief executive
- all staff employed by the chief executive on behalf of Council
- the media
- the general public.

The objective of the code is to enhance:

- the effectiveness of Council as the autonomous local authority with statutory responsibilities for the good local government of the Whangarei District
- the credibility and accountability of Council within its community
- mutual trust, respect and tolerance between the elected members as a group and between the elected members and management.

This code of conduct seeks to achieve its objectives by recording:

- an agreed statement of roles and responsibilities (recorded in Part 2 of the code)
- agreed general principles of conduct (recorded in Part 3 of the code)
- specific codes of conduct applying to particular circumstances or matters (also recorded in Part 3 of the code).

Elected members are primarily accountable to the electors of the District through the democratic process. However members must note that the auditor-general may hold them to account for unlawful actions or expenditure or for breaches of the Local Authorities (Members' Interests) Act 1968.

The code of conduct that follows is based on the following general principles of good governance:

- **Public interest**

Members should serve only the interests of the District as a whole and should never improperly confer an advantage or disadvantage on any one person.

- **Honesty and integrity**

Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.

- **Objectivity**

Members should make decisions on merit including making appointments, awarding contracts, or recommending individuals for rewards or benefits. Elected members should also note that once elected, their primary duty is to the interests of the entire District, not the ward that elected them.

- **Accountability**

Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should cooperate fully and honestly with the scrutiny appropriate to their particular office.

- **Openness**

Members should be as open as possible about their actions and those of Council, and should be prepared to justify their actions.

- **Personal judgment**

Members can and will take account of the views of others, but should reach their own conclusions on the issues before them, and act in accordance with those conclusions.

- **Respect for others**

Members should promote equality by not discriminating unlawfully against any person and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation, or disability. They should respect the impartiality and integrity of Council staff.

- **Duty to uphold the law**

Members should uphold the law, and on all occasions, act in accordance with the trust the public places in them.

- **Stewardship**

Members must ensure that Council uses resources prudently and for lawful purposes, and that Council maintains sufficient resources to meet its statutory obligations.

- **Leadership**

Members should promote and support these proposals by example, and should always endeavour to act in the best interests of the community.

## Part 2 Roles and responsibilities of elected members

Elected members, acting as Council, are responsible for:

- development and adoption of Council policy
- monitoring the performance of Council against its stated objectives and policies
- prudent stewardship of Council resources
- employment of the chief executive
- representing the interests of the residents and ratepayers of the Whangarei District . (On election, the members' first responsibility is to the District as a whole).

Unless otherwise provided in the Local Government Act 2002 or in standing orders, Council can act only by majority decisions at meetings and each member has one vote (unless where Council has resolved to give the Chairperson a casting vote). Any individual member (including the mayor) has no authority to act on behalf of Council unless Council has expressly delegated such authority.

## Part 3 Relationships and behaviours

This part of the code sets out Council's agreed standards of behaviour. Some of the matters described in this part of the code reflect other legislation such as the Local Authorities (Members' Interests) Act 1968. The majority of the code is material that Council has decided to include of its own initiative.

### Relationships with other members

Successful teamwork is a critical element in the success of any democratically elected organisation. No team will be effective unless mutual respect exists between members. With this in mind elected members will conduct their dealings with each other in ways that:

- maintain public confidence in the office to which they have been elected
- are open and honest
- focus on issues rather than personalities
- avoid aggressive, offensive or abusive conduct and language.

### Relationships with staff

The effective performance of Council also requires a high level of cooperation and mutual respect between elected members and staff. To ensure that level of cooperation and trust is maintained, elected members will:

- recognise that the chief executive is the employer (on behalf of Council) of all Council employees, and as such only the chief executive may hire, dismiss or instruct or censure an employee
- make themselves aware of the obligations that Council and the chief executive have as employers and observe those requirements at all times
- treat all employees with courtesy and respect (including the avoidance of aggressive, offensive or abusive conduct towards employees)
- observe any guidelines that the chief executive puts in place regarding contact with employees
- not do anything which compromises, or could be seen as compromising, the impartiality of an employee
- avoid publicly criticising any employee in any way, but especially in ways that reflect on the competence and integrity of the employee
- raise concerns about employees only with the chief executive, and concerns about the chief executive only with the mayor or the chief executive review committee.

Elected members should be aware that failure to observe this portion of the code of conduct may compromise Council's obligations to act as a good employer and may expose Council to civil litigation and audit sanctions.

### Relationships with the community

Effective Council decision-making depends on productive relationships between elected members and the community at large.

Members should ensure that individual citizens are accorded respect in their dealings with Council, have their concerns listened to, and deliberated on in accordance with the requirements of the Act.

Members should act in a manner that encourages and values community involvement in local democracy.

### Contact with the media

In dealings with the media, elected members must clarify whether or not they are communicating a Council or a committee view, or are expressing a personal view.

### Confidential information

In the course of their duties members will occasionally receive information that may need to be treated as confidential. This will generally be information that is either commercially sensitive or is personal to a particular individual or organisation.

Elected members must not use or disclose confidential information for any purpose other than the purpose for which the information was supplied to the elected member.

Elected members should be aware that failure to observe these provisions will impede the performance of Council by inhibiting information flows and undermining public confidence in Council. Failure to observe these provisions may also expose Council to prosecution under the Privacy Act 1993 and/or civil litigation.

## Conflicts of interest

Elected members must be careful that they maintain a clear separation between their personal interests and their duties as an elected member. This is to ensure that people who fill positions of authority carry on their duties free from bias (whether real or perceived). Members therefore need to familiarise themselves with the provisions of the Local Authorities (Members' Interests) Act 1968 which concerns financial interests, and with other legal requirements concerning non-financial conflicts of interest.

The Local Authorities (Members' Interests) Act 1968 provides that an elected member is disqualified from office, or from election to office, if that member is concerned or interested in contracts under which payments made by or on behalf of the local authority exceed \$25,000 in any financial year, unless prior approval has been obtained.

Additionally, elected members are prohibited from participating in any Council discussion or vote on any matter in which they have a pecuniary interest, other than an interest in common with the general public. The same rules also apply where the member's spouse contracts with the authority or has a pecuniary interest. Members must declare their interests at Council meetings where matters in which they have a pecuniary interest arise.

Members shall annually make a general declaration of interest as soon as practicable after becoming aware of any such interests. These declarations are recorded in a register of interests maintained by Council. The declaration must notify Council of the nature and extent of any interest, including:

- any employment, trade or profession carried on by the member or the member's spouse for profit or gain
- any company, trust, partnership etc for which the member or their spouse is a director, partner, trustee or beneficiary
- the address of any land in which the member has a beneficial interest and which is in the Whangarei District
- the address of any land where the landlord is Whangarei District Council and:
  - the member or their spouse is a tenant, or
  - the land is tenanted by a firm in which the member or spouse is a partner, or a company of which the member or spouse is a director, or a trust of which the member or spouse is a trustee or beneficiary
- any other matters which the public might reasonably regard as likely to influence the member's actions during the course of their duties as a member.

If the member is in any doubt as to whether or not a particular course of action (including a decision to take no action) raises a conflict of interest, then the member should immediately seek guidance from the chief executive.

Members may also contact the Audit Office for guidance as to whether that member has a pecuniary interest. If there is a pecuniary interest, the member may seek an exemption to allow that member to participate or vote on a particular issue in which they may have a pecuniary interest. The latter must be done before the discussion or vote. The chief executive must also seek approval from the Audit Office for contractual payments to members, their spouses or their companies that exceed the \$25,000 annual limit.

Failure to observe the requirements of the Local Authorities (Members' Interests) Act 1968 could potentially invalidate the particular decision made, or the action taken, by Council. Failure to observe these requirements could also leave the elected member open to prosecution under the Local Authorities (Members' Interests) Act 1968. In the event of a conviction elected members can be disqualified from office.

## Standing orders

Elected members must adhere to any standing orders adopted by Council under the Local Government Act 2002. These standing orders are subject to the same legal requirements as a code of conduct with regard to their adoption and amendment.

## Ethics

Whangarei District Council seeks to promote the highest standards of ethical conduct amongst its elected members. Accordingly, elected members will:

- claim only for legitimate expenses as laid down by any determination of the Remuneration Authority then in force, and any lawful policy of Council developed in accordance with that determination
- not influence, or attempt to influence, any Council employee to take actions that may benefit the member, or the member's family or business interests
- not use Council resources for personal business (including campaigning)
- not solicit, demand, or request any gift, reward or benefit by virtue of their position
- notify the chief executive if any gifts are accepted
- where a gift to the value of \$500 or more is offered to a member, immediately disclose this to the chief executive for inclusion in the publicly available register of interests.

## Disqualification of members from office

Elected members are automatically disqualified from office if they are convicted of a criminal offence punishable by two or more years' imprisonment, or if they cease to be or lose their status as an elector or of certain breaches of the Local Authorities (Members' Interests) Act 1968.

Whangarei District Council requires elected members who are declared bankrupt to notify the chief executive as soon as practicable after being declared bankrupt.



## Part 4 Compliance and review

### Compliance

The elected members must note that they must comply with the provisions of this code of conduct (Local Government Act 2002, schedule 7, section 15(4)).

Compliance will be monitored by the chief executive and all alleged breaches of the code will be reported to the chief executive. Any allegation of a breach of a code of conduct must be in writing, be specific, and provide corroborating evidence.

The chief executive will investigate the alleged breach, obtain independent legal advice if required, and make a decision regarding whether the alleged breach requires further investigation. Before beginning any investigation, the chief executive will notify the elected member(s) in writing of the complaint, explaining when and how they will get the opportunity to put their version of events. Where, in the opinion of the chief executive, the alleged breach is not proven or of a minor or frivolous nature, the chief executive may take any action deemed necessary to deal with the matter. If, in the opinion of the chief executive, the alleged breach is more than minor, then the chief executive will have prepared a report for the consideration of Council.

If, in the opinion of two thirds of the elected members of the Whangarei District Council, an elected member has breached this code of conduct, the matter shall be resolved in an open meeting of Council.

### Responses to breaches of the code by Council

The exact nature of the action Council may take depends on the nature of the breach and whether there are statutory provisions dealing with the breach.

Where there are statutory provisions:

- 1 Breaches relating to members' interests render members liable for prosecution by the Auditor-General under the Local Authority (Members' Interests) Act 1968.
- 2 Breaches which result in Council suffering financial loss or damage may be reported on by the auditor-general under the Local Government Act 2002, which may result in the member having to make good the loss or damage.
- 3 Breaches relating to the commission of a criminal offence may leave the elected member liable for criminal prosecution.

In these cases Council may refer an issue to the relevant body, any member of the public may make a complaint, or the body itself may take action of its own initiative.

Where there are no statutory provisions, Council may take the following action:

- 1 Censure.
- 2 Removal of the elected member from Council committees and/or other representative type bodies.
- 3 Dismissal of the elected member from a position as deputy mayor or chair of a committee.

A decision to apply one or more of these actions requires a Council resolution to that effect.

### Review

Once adopted, a code of conduct continues in force until amended by Council. The code can be amended at any time but cannot be revoked unless Council replaces it with another code. Once adopted, amendments to the code of the conduct require a resolution supported by 75 per cent or more of the members of Council present.

Council will formally review the code as soon as practicable after the beginning of each triennium. The results of that review will be presented to Council for their consideration and vote.

## Appendix to the code

### Legislation bearing on the role and conduct of elected members

This is a summary of the legislation requirements that has some bearing on the duties and conduct of elected members. Copies of these statutes can be found in Council's library or in the office of the chief executive.

#### Local Authority (Members' Interests) Act 1968

This Act regulates situations where a member's personal interests impinge, or could be seen as impinging on their duties as an elected member.

The Act provides that an elected member is disqualified from office if that member is concerned or interested in contracts under which payments made by or on behalf of the local authority exceed \$25,000 in any financial year.

Additionally, elected members are prohibited from participating in any Council discussion or voting on any matter in which they have a pecuniary interest, other than an interest in common with the general public. The same rules also apply where the member's spouse contracts with the authority or has a pecuniary interest.

Members may also contact the Audit Office for guidance as to whether that member has a pecuniary interest, and if so, may seek an exemption to allow that member to participate or vote on a particular issue in which they may have a pecuniary interest. The latter must be done before the discussion or vote. The chief executive must also seek approval from the Audit Office for contractual payments to members, their spouses or their companies that exceed the \$25,000 annual limit.

Failure to observe these requirements could also leave the elected member open to prosecution under the Local Authority (Members' Interests) Act 1968. In the event of a conviction elected members can be ousted from office.

#### Local Government Official Information and Meetings Act 1987

The Local Government Official Information and Meetings Act 1987 sets out a list of meetings procedures and requirements. Of particular importance for the roles and conduct of elected members is the fact that the chair has the responsibility to maintain order at meetings, but all elected members should accept a personal responsibility to maintain acceptable standards of address and debate. No elected member should:

- create a disturbance or a distraction while another councillor is speaking
- be disrespectful when they refer to each other or other people
- use offensive language about Council, other councillors, any employee of Council or any member of the public.

#### Secret Commissions Act 1910

Under this Act it is unlawful for an elected member (or officer) to advise anyone to enter into a contract with a third person and receive a gift or reward from that third person as a result, or to present false receipts to Council.

If convicted of any offence under this Act a person can be imprisoned for up to 2 years, or fines up to \$1000. A conviction therefore would trigger the ouster provisions of the Local Government Act 2002 and result in the removal of the member from office.

#### Crimes Act 1961

Under this Act it is unlawful for an elected member (or officer) to:

- accept or solicit for themselves (or anyone else) any gift or reward for acting or not acting in relation to the business of Council
- use information gained in the course of their duties for their, or another persons' monetary gain or advantage.

These offences are punishable by a term of imprisonment of up to seven years. Elected members convicted of these offences will also be automatically ousted from office.

## **Securities Act 1978**

The Securities Act 1978 essentially places elected members in the same position as company directors whenever Council offers stock to the public. Elected members may be personally liable if investment documents such as a prospectus contain untrue statements and may be liable for criminal prosecution if the requirements of the Act are not met.