



CODE OF CONDUCT FOR BOARD MEMBERS

Introduction

The XRB has adopted a Members Code of Conduct that the Members of the XRB Board, New Zealand Accounting Standards Board (NZASB) and New Zealand Auditing and Assurance Standards Board (NZAuASB) are expected to comply with.

In this document "XRB" refers to the organisation, and "Board Members" refers to members of any of the three Boards.

The Code of Conduct has been developed based on a template provided to Crown entities by the State Services Commission. It is based around four "basic principles" as outlined below.

The XRB is an Independent Crown Entity, and this status recognises the XRB's unique functions and that it must operate, and must be seen to operate, independently from the Crown. The importance of this independence is reflected in the conduct expected of Board Members.

Principle 1: Integrity and Conduct in relation to Ministers, the Government and Parliament

Political Neutrality

The XRB observes the convention of political neutrality and will conduct itself in such a manner that it:

- Is able to maintain the confidence of the government of the day and any future government; and
- Does not jeopardise or erode public trust in the XRB or in the institutions of government.

Comments on Government Policy

Ministers remain responsible for any government policies and decisions implemented or administered by the XRB, even where the XRB had a role in developing that policy.

However, the XRB can make comments which:

- May explain Government policy including its rationale, underlying factual or research basis and implementation;
- Ensure that explanations of policy are factual, balanced and impartial.

In the event that the XRB considers that comment on a government policy is warranted, it will ensure the responsible minister is forewarned.

Personal Comment by Board Members

Board Members have a democratic right to free speech as do all other New Zealanders. However Board Members must ensure their words and actions in the public domain:

- Neither compromise the XRB's ability to operate effectively; nor

- Erode the trust that the public have in the institutions of government.

Private Communications by Board Members with Ministers and Members of Parliament

The XRB Board believes it reasonable that Board Members may:

- Communicate privately about matters not connected with XRB business; and
- Communicate about XRB matters with its Minister after clearance from the Chairman of the XRB Board.

Because the appearance of independence is paramount in the case of the XRB, Board Members must ensure that any private communications with MPs or Ministers could not be interpreted to compromise the XRB's independence or their own suitability as Board Members.

Political Participation and Standing for Election to Parliament

The requirement for the XRB's decisions to be, and to be seen to be, free from political influence precludes political activity or participation. However, XRB Members have the same rights as any other person to offer themselves for election to Parliament, but if they do, their participation in the activities of the XRB will be suspended from nomination day until the first working day after polling day.

Principle 2: Integrity and Conduct in relation to the Public

Fairness in Processes and Decision-Making

The principal values applying are fairness and impartiality, consistency, transparency and legitimacy. The XRB will conduct its affairs efficiently and effectively in a manner consistent with these values.

Service Delivery

The principal values applying are responsibility, respect and responsiveness.

Principle 3: Integrity and Conduct in relation to the XRB

Participation by Board Members in Voluntary Organisations or Public Bodies

Before appointment to voluntary organisations or other public bodies, any potential conflict of interest must be declared to the other Members of the relevant Board in writing and cleared with the Chairperson of that Board.

In the case of the Chairpersons of the NZASB and the NZAuASB, she/he should clear such matters with the Chairman of the XRB Board.

In the case of the Chairman of the XRB, he should clear such matters with the Members of the XRB Board under the leadership (for the purposes of the discussion) of the Deputy Chair.

Official Information

With regard to official information the basic tenets are:

- Official information is to be used for official purposes and treated as confidential to the XRB; and

- It is unacceptable to make unauthorised use of information which the XRB has had access to in its official capacity.

Any requests for information to be released under the Official Information Act 1982 are to be managed by the Chief Executive, who will obtain legal advice as necessary before making the information available.

Use of Financial and other Resources

The XRB will only use its resources for their intended purpose, effectively, with reasonable care and in accordance with New Zealand law.

Gifts

Gifts could be seen to compromise the integrity of the person receiving the gift. Board Members should therefore enter all gifts with a value of \$100 (GST inclusive) or more in the gifts register. The XRB Board will determine on a quarterly basis whether gifts entered on the gifts register should be held as property of the XRB, become property of the recipient or be otherwise disposed of.

Principle 4: Personal Integrity and Conduct

Conflicts of Interest

Board Members are required to disclose all potential conflicts of interest and observe the principles described in the Crown Entities Act 2004 where:

- They will avoid situations where actions could be influenced by private interests;
- They will avoid situations that could impair objectivity or create personal bias;
and
- They will ensure they are free from obligations to other parties.

Private activities

The XRB has no legitimate interest in the private activities of Board Members so long as those activities do not interfere with their performance on the XRB or reflect poorly or discredit the XRB.