Policy for managing conflicts of interest when providing official assurances for exports of live animals and animal germplasm

1. Introduction

Purpose

1.1.1 New Zealand’s live animal and animal product industries rely on access to overseas markets. This is heavily influenced by New Zealand’s excellent animal health status and reputation for principled approach to negotiating and certifying requirements for access to overseas markets.

1.1.2 Certifying to any lesser standard would be a major risk for access to overseas markets. The ethics of all involved in the export process must be of the highest standard because the actions of an individual can affect a whole industry.

1.1.3 This policy aims to maintain the integrity of New Zealand’s process for certifying exports of live animals and animal germplasm (sperm and embryos), and the integrity of those performing duties under the policy.

Related policies and guidelines

1.2.1 This policy is consistent with policies and approaches to managing conflicts of interest used by the Ministry of Agriculture and Forestry (MAF), the New Zealand Food Safety Authority (NZFSA), the Office of the Auditor General, the State Services Commission, Australian public sector bodies, the international approach used by the International Organization for Standardization, and the Organisation for Economic Cooperation and Development.

1.2.2 The policy is less prescriptive than existing requirements for certifying veterinarians of the World Animal Health Organisation because it applies more broadly and focuses on process rather than prescribing outcomes.

1.2.3 The policy recognises that conflicts of interest cannot always be avoided or prohibited, some are natural and unavoidable in small countries like New Zealand.

Date effective

1.3.1 This policy comes into effect on [DAY MONTH 2008]. It will be reviewed after three years.

4 ISO/TS 22003:2007. Food safety management systems – Requirements for bodies providing audit and certification of food safety management systems. Section 5.2
2. Definitions

2.1.1 A conflict of interest occurs where the duties or responsibilities of a person required by the Official Assurance Programme administered by MAF Biosecurity New Zealand (MAFBNZ) could be improperly affected by some other interest or duty the person may have. Some examples include:

- financial interests - a conflict exists where a person signing an official assurance or a certificate leading to an official assurance owns the animals or animal germplasm, or gains significant financial reward from the animals or animal germplasm being successfully exported. These are examples of conflicts that must be avoided or mitigated at all costs;

- personal interests - conflicts can arise from personal or family relationships (for example, where the person lives in a small community whose vitality is linked to the business), or personal values that could affect the proper performance of professional duties; and

- blurred roles/functions such as staff from MAFBNZ needing to provide “advice” to an industry operator on what the requirements mean as well as at other times to audit the industry operator.

3. Principles

3.1.1 This policy is consistent with the following Market Access and Official Assurance Principles⁶ agreed by MAF and NZFSA:

- Principle 5. Export certification systems providing official assurances will be outcome based and consistent with OIE, Codex and IPPC standards and guidelines. Of particular importance are the sections on ethics and integrity;

- Principle 7. Government certification systems will be aligned and integrated across Government agencies as appropriate and applied equitably across export sectors; and

- Principle 9. Third party verifiers must meet internationally recognised standards that cover competencies, conflict of interest, and quality systems. Government will define appropriate secondary-supplementary criteria to the international standards.

3.1.2 Two other principles that have guided developing this policy are⁷:

- all conflicts of interest must be managed transparently. Conflicts of interest must be seen to be managed fairly and effectively. To achieve this, the process for managing conflicts of interest must be open to scrutiny so as to help maintain accountability; and

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managing conflicts of interest effectively depends on all involved in the Official Assurance Programme 

**jointly participating** in implementing the policy. For example, MAFBNZ is responsible for establishing systems and policy. Because private interests are usually only known to individuals, it is essential that those undertaking duties in the Official Assurance Programme take responsibility for identifying and proposing how to manage their own conflicts of interest (section 5).

### 4. Roles and responsibilities

**Roles of participants in the Official Assurance Programme**

4.1.1 There are three participants in the system for issuing official assurances for live animals and animal germplasm exported from New Zealand:

- **government**
- **independent or third party verifiers**; and
- **industry**

4.1.2 Each of these participants has different roles:

- **government** is responsible for the overall system. The government’s functions include setting the legal framework within which the system for issuing official assurances operates, developing the standards and quality systems for certifying exports, auditing the systems, and issuing official assurances and export certificate templates;

- **independent verifiers** comprise individuals and agencies authorised by government to perform specific functions including supervising the preparation of export consignments, checking the supporting documentation to ensure the export conditions have been met, and auditing and recommending germplasm and other centres and facilities for approval. Independent verifiers must be “recognised persons” under the Animal Products Act 1999. They are mostly veterinarians with the exception of those involved in verifying documents for bee exports; and

- **industry** must be registered exporters under section 48 of the Animal Products Act 1999 unless certain specified exemptions apply. Its roles include selecting animals and/or animal germplasm for export; ensuring information/declarations to support certification are provided; and arranging for the independent verifiers/auditors to carry out certifying activities. Exporters of germplasm, and some other industry groups, also operate under systems approved by MAFBNZ.

**Responsibilities of participants in the Official Assurance Programme**

4.2.1 This policy applies to all participants in the Official Assurance Programme (above). The policy also applies to all persons that have been approved by MAFBNZ to perform functions related to the Official Assurance Programme.

4.2.2 All persons are responsible for:

- being aware that **conflicts of interest should be avoided wherever possible, and where this is not possible, conflicts must be declared fully and**
• promptly by the person or agency with the conflict and managed to the satisfaction of MAFBNZ;

• assessing their private and personal interests and whether they conflict, or have the potential to conflict, with their official duties;

• formally disclosing all conflicts of interest they may have according to the procedures established by this policy; and

• complying with the other requirements of this policy.

4.2.3 Persons who issue official assurances or are approved by MAFBNZ as recognised agencies or recognised persons have legal responsibilities under the Animal Products Act 1999 (for example, section 107 (c) requires recognised persons to maintain an appropriate degree of impartiality and independence in carrying out their functions) as well needing to comply with this policy.

4.2.4 Section 51 (a) of the Animal Products Act 1999 makes it a duty of all exporters of animal material or animal products to ensure that their operations as an exporter do not contravene any relevant requirement of or under the Act. This policy is referenced in the Official Assurance Programme which, in turn, is notified under section 60 of the Animal Products Act 1999. This means that all exporters have a legal responsibility to ensure their operations do not contravene this policy. In practice, this would mean that industry would need to make all staff involved with the Official Assurance Programme aware of this policy. It would be up to industry how it manages its processes to ensure it is complying with the policy. MAFBNZ will assess how industry is complying with the policy through its audits by independent verifiers of industry personnel signing certificates leading to certification.

Responsibilities of MAFBNZ under this policy

4.3.1 MAFBNZ is responsible for:

• establishing a system for managing conflicts of interest in the form of a clear policy and procedures for all participants in the Official Assurance Programme to follow;

• building an organisational culture that supports participants in the Official Assurance Programme implementing this policy and procedures;

• reviewing the policy and mechanisms for managing it to ensure they are effective;

• receiving and investigating complaints and grievances; and

• reporting breaches to external agencies, where applicable.

Responsible officer

4.4.1 The Exports Manager, Border Standards Directorate, MAFBNZ is responsible for maintaining the policy and giving effect to any decisions made. This includes:

• providing a point of contact for anyone wanting information or advice about its meaning or application;

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• providing a point of contact for anyone wanting assistance in identifying a conflict of interest and/or the type of conflict;

• maintaining records of disclosed conflicts;

• receiving complaints and grievances about possible breaches of the policy, investigating these and enforcing compliance;

• keeping the policy current; and

• communicating the policy and reviewing its effectiveness.

5. Procedures

5.1.1 Conflicts of interest involve difficult judgements that need to balance a number of factors (for example, the type and size of the private interest, the degree to which the person's private interest could influence their professional role, and whether or not it is practical to use, and the consequences of using, a different approach to avoid or mitigate the risk). Each case must be considered on its merits.

5.1.2 There are two basic steps for dealing with conflicts of interest (Appendix 1):

• identifying and disclosing the conflict (primarily the responsibility of the person concerned); and

• managing (avoiding or mitigating) the conflict (primarily the responsibility of MAFBNZ after considering suggestions from the person concerned).

Identifying and disclosing interests

5.2.1 The existence of other interests does not necessarily cause a conflict. A conflict occurs when there is an overlap between the other interest and a person's duties under the Official Assurance Programme. A good test is:

"Would a reasonable person, aware of all the facts, consider that the responsibilities of the person under the Official Assurance Programme would be adversely affected by the other interest or duty the person has?"

5.2.2 If there is a risk, or perception, of this there is a conflict of interest. It is not relevant whether the person would actually act in this way.

5.2.2 A possible conflict of interest must be notified to whoever the person is accountable to (the supervisor) as soon as possible whenever it arises. For example, a certifying veterinarian must inform the independent verifier or MAFBNZ, a MAFBNZ/NZFSA VA staff member must inform their manager, and any person who must be approved by MAFBNZ to perform functions under the Official Assurance Programme must declare any possible conflicts of interest on the appropriate application form.

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5.2.3 If the supervisor decides that there is no conflict of interest to manage, they will report the nature of the interests and their conclusion to MAFBNZ.

5.2.4 MAFBNZ will review the decision. If it agrees with the decision, MAFBNZ will record the nature of the interests raised and its decision that no further action is required.

5.2.5 If the supervisor (or MAFBNZ) decides that there is a conflict of interest, the nature of the interests is recorded, MAFBNZ is notified, and the process for managing conflicts (below) is started.

Managing conflicts of interest

5.3.1 Once a conflict of interest has been declared, there are various options for managing it ranging from simply registering the interest through to resigning from the Official Assurance Programme (Appendix 2).

5.3.2 The person with the conflict must identify which of the options for managing it they believe is most appropriate to their circumstances. The strategy should then be discussed with their supervisor.

5.3.3 The supervisor must then inform MAFBNZ of the conflict and the proposed strategy for managing it.

5.3.4 MAFBNZ will consult with the person and/or their supervisor, and decide the strategy needed to resolve or manage the situation. The decision will be signed by both MAFBNZ and the person with the conflict.

5.3.5 MAFBNZ will keep a record of both the interests that are conflicting and its decision on how the conflict will be managed.

Record keeping

5.4.1 Records of conflicts of interest are needed for two purposes:
- being transparent about how conflicts have been managed; and
- ensuring similar situations are treated consistently.

5.4.2 The Exports Manager, Border Standards Directorate, MAFBNZ will maintain a register of interests that have been declared and how any conflicts have been managed.

Examples

5.5.1 Some practical examples of how these procedures work are contained in Appendix 3. The solutions proposed are not necessarily the best or only solutions.

6. Breaches of this policy

6.1.1 Any sanctions must act as a deterrent but be proportionate to how serious the breach is.

6.1.2 Sanctions could involve disciplinary action by MAFBNZ ranging from counselling to being dismissed from the Official Assurance Programme.
6.1.3 Some breaches may need to be reported outside of MAFBNZ and the organisation or person concerned. For example, where the person breaching the policy is a member of a professional body, the professional body may also need to be notified or, where the breach involves criminal activity, the police.

7. Privacy

7.1.1 Reporting conflicts of interest may involve disclosing personal information.

7.1.2 MAFBNZ will treat all information confidentially according to legislation and MAF’s privacy policy.

7.1.3 If disclosing a conflict of interest to a supervisor raises privacy concerns, the person may disclose their interests directly to the Exports Manager, Border Standards Directorate, MAFBNZ or their nominee.

8. Whistleblowing

8.1.1 On rare occasions it may be necessary for a person to be concerned about a colleague having undisclosed interests.

8.1.2 These can be advised using the protections available under the Protected Disclosures Act 2000.
Appendix 1. Flowchart for making decisions on conflicts of interests

Assess the situation and surrounding circumstances

Is there a conflict of interest?
  - Yes/possibly
    - Record
    - Review
  - No
    - Implement
    - Record

Is management required?
  - Yes
    - Agree strategy
  - No
    - Monitor/Review

Significant change?
  - Yes
    - Record
  - No

## Appendix 2. Options for managing conflicts of interest

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Possible action</th>
<th>When most suitable</th>
</tr>
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<tbody>
<tr>
<td><strong>Register</strong>&lt;br&gt;To formally record details of a conflict of interest</td>
<td>- decide there is no conflict of interest or very low risk from the conflict&lt;br&gt;- arrange additional oversight or review over the person&lt;br&gt;- inform affected parties that a disclosure has been made and of the action taken</td>
<td>- for low-risk conflicts of interests&lt;br&gt;- where the act of transparency through disclosing the conflict of interest is sufficient</td>
</tr>
<tr>
<td><strong>Restrict</strong>&lt;br&gt;To put restrictions on the person’s involvement</td>
<td>- limit the person’s involvement in discussions, criteria setting and decision making processes&lt;br&gt;- restrict the person’s access to information, particularly sensitive or confidential information</td>
<td>- the person can be effectively separated from parts of the activity or process&lt;br&gt;- the conflict of interest is not likely to arise frequently</td>
</tr>
<tr>
<td><strong>Recruit</strong>&lt;br&gt;To use a third party to oversee part or all of the process</td>
<td>- arrange for the affected decision to be made by an independent third party&lt;br&gt;- engage an independent third party to oversee or review the integrity of the process&lt;br&gt;- increase the number of people on decision making committees to balance the influence of the person with the conflict&lt;br&gt;- seek the views of those likely to be concerned and ask whether they object to the person being involved</td>
<td>- it is not feasible or desirable to remove the person from the decision-making process&lt;br&gt;- in small or isolated communities where the person’s expertise is necessary and not easily replaced</td>
</tr>
<tr>
<td><strong>Remove</strong>&lt;br&gt;To remove the person from the matter</td>
<td>- remove the person from any involvement in the matter&lt;br&gt;- remove the person from the situation where they may still exert, or be perceived to exert, a covert influence on the decisions or actions taken&lt;br&gt;- re-arrange the person’s duties and responsibilities to a non-conflicting function&lt;br&gt;- transfer the person to another project or area</td>
<td>- for ongoing serious conflicts of interest, where ad hoc restrictions or recruitment of others is not appropriate</td>
</tr>
<tr>
<td><strong>Relinquish</strong>&lt;br&gt;To give up the private interest</td>
<td>- liquidate the private interest&lt;br&gt;- divest or withdraw support from the interest&lt;br&gt;- assign the conflicting interest to a genuinely blind trust or blind management arrangement for the period of the conflict</td>
<td>- when the person’s commitment to their specific duties outweighs their attachment to the private or other interest</td>
</tr>
<tr>
<td><strong>Resign</strong>&lt;br&gt;To leave the Official Assurance Programme</td>
<td>- resign from duties in the Official Assurance Programme&lt;br&gt;- take extended leave without pay&lt;br&gt;- secondment to another organisation during the period of the conflict&lt;br&gt;- transfer to another organisation&lt;br&gt;- take early retirement</td>
<td>- no other options are workable&lt;br&gt;- the person can not or will not relinquish the conflicting private interest and changes to their work responsibilities are not feasible&lt;br&gt;- where this course is preferred as a matter of personal principle</td>
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Appendix 3. Case studies of some examples of conflicts of interest that have arisen when providing official assurances for exports of live animals and animal germplasm

Approved centre/team veterinarians verify activities at germplasm centres and then sign the supporting documents that the NZFSA Verification Agency uses to issue the export certificate assuring an overseas government that its overseas market access requirements have been met.

In order to be approved, a certifying veterinarian must declare to a person recognised by the Director General that he/she has no conflict of interest that would prevent them from certifying animal germplasm for export. The declaration is then sent to MAFBNZ to approve. As a guide to the scope of this declaration, the declaration notes the relevant provisions of the World Animal Health Organization (OIE) and the New Zealand Veterinary Council Code of Professional Conduct.

Case study 1 – a certifying veterinarian owns the animals from which they want to collect semen

John is employed as the sole certifying veterinarian at Seminal, a company that collects semen from bulls for export. John has recently purchased a stud farm. He would like in future to collect semen from his animals that will be certified by Seminal for export.

John realises that this may create a conflict of interest for him and wonders what to do.

Analysis

John starts by identifying what interests he has that could be conflicting.

John identifies that he has private interests in maintaining the health of the animals on his farm and gaining remuneration from exporting semen. This conflicts with his role at Seminal to independently certify that the requirements for collecting semen for overseas markets have been met.

John now considers how the conflicting interests could be managed.

The New Zealand Veterinary Council Code of Professional Conduct for Veterinarians states that certifying veterinarians must not issue a certificate if there is a demonstrable conflict between his/her own interest (including those of his/her professional clients) and the interests of the person or organisation to whom the certificate is directed.

John considers that he has three ways that he could manage the situation. He could remove himself from the conflict by sending his bulls to another company for semen collection. Alternatively, he could relinquish his private interest (selling the stud farm, or assigning the ownership of the farm to a genuinely blind trust or management arrangement). Finally, he could resign from duties in Seminal’s official assurance programme (perhaps joining another company that doesn’t certify semen collected from his bulls).

Any of the three options could effectively maintain the integrity of MAFBNZ’s official assurance programme and John’s integrity as a veterinarian.

John declares his conflict of interest to Seminal and discusses with it which of these options is best in the circumstances to manage the conflict and propose to MAFBNZ.

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9 Names of people and companies, and some details have been changed to preserve anonymity
Case study 2 – where an approved team veterinarian (embryos) has a small shareholding in the business

Suzanne and Bill are approved team veterinarians at Embryonz, a company that collects embryos for export to overseas markets. They are salaried employees. Embryonz is audited every six months by Quality Auditors, a company that has been approved by MAFBNZ to audit activities at the germplasm centre to ensure that Embryonz complies with MAFBNZ’s requirements.

All the export work at Embryonz is for clients who pay Embryonz fees that do not depend on the export being successful. Embryonz has a contract with its clients demonstrating that it does not guarantee that embryos passing through the centre will be eligible for export.

Suzanne has recently acquired a 5% shareholding (which would result in approximately $10,000 income for her in addition to her salary) in Embryonz. She realises that this may raise questions about conflicts of interest, but is unsure about what to do.

Analysis

The first step is for Suzanne to identify if she has interests that might be conflicting.

Suzanne’s remuneration as a shareholding veterinarian is not directly linked to the successful export of the consignment because the contract makes clear that Embryonz does not guarantee that embryos passing through the centre will be eligible for export. This would not be clear, however, to any outside observer who may consider that Suzanne has a conflict because her interests overlap.

Suzanne informs Quality Auditors, who in turn inform MAFBNZ, of her new position as a shareholder in Embryonz.

Suzanne now considers how her situation could be managed.

The New Zealand Veterinary Council Code of Professional Conduct for Veterinarians states the certifying veterinarian must not issue a certificate if there is a demonstrable conflict between his/her own interest (including those of his/her professional clients) and the interests of the person or organisation to whom the certificate is directed.

Suzanne notes that despite the contract clause, she still has two interests that conflict and need to be managed.

Suzanne considers that she could recruit Bill to sign the certification documents because he is salaried and financially independent of Embryonz. She further considers that she can continue to manage the day to day operations of the collection centre because she has specialist skills in this area and recruiting Bill ensures that an independent veterinarian is certifying the consignments. Suzanne sends her proposal to Quality Auditors who in turn forward it on to MAFBNZ to consider.

In addition to the New Zealand Veterinary Council Code of Professional Conduct for Veterinarians, MAFBNZ must consider the requirements of the World Animal Health organization (OIE). These require that veterinarians issuing official assurances not only have no conflict of interest in the commercial aspects of the animals, but also be independent of the commercial parties. MAFBNZ needs to be confident the proposal delivers this outcome.

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MAFBNZ discusses the proposal with Quality Auditors and the NZFSA Verification Agency. MAFBNZ notes that the level of remuneration that Suzanne will receive as a shareholder is low. Further, the contract makes clear that embryos passing through the centre are not guaranteed to be eligible for export. This means there are few incentives on Suzanne to appropriately manage the certification process. Further, Suzanne has proposed that an independent person (Bill) will verify that the correct procedures have been followed and certify the consignments. This effectively separates Suzanne's financial interest as a shareholder from responsibilities for certifying documents.

The proposal does not remove Suzanne from all involvement in the certification process, but this is not required by either the OIE or the New Zealand Veterinary Council Code of Practice for Veterinarians. MAFBNZ has further identified that Embryonz will be audited every six months for compliance by Quality Auditors. This provides a further independent check on Suzanne's level of involvement and how Embryonz is meeting with the required procedures. MAFBNZ is confident the proposal will maintain the integrity of New Zealand's Official Assurance Programme and also allow Suzanne to meet the requirements of the New Zealand Veterinary Council Code of Professional Conduct for Veterinarians, and the OIE.

MAFBNZ therefore accepts Suzanne's proposal, and formally records the decision and actions to be taken. Quality Auditors, Suzanne and the NZFSA Verification Agency are advised of the decisions.

**Case study 3 – an approved team veterinarian (embryos) has a large shareholding in an embryo centre**

The facts are similar to case study 2 except that in rare situations where Embryonz does get involved in supply contracts with overseas customers where Embryonz depends on export for revenue.

Suzanne has recently acquired a 40% shareholding in Embryonz (which would result in approximately $80,000 income for her in addition to her salary. She realises that this may raise questions about conflicts of interest, but is unsure about what to do.

**Analysis**

The first step is for Suzanne to identify if she has interests that might be conflicting. There are two different situations that Suzanne must consider here.

In the majority of cases, Suzanne’s remuneration as a shareholding veterinarian is not directly linked to the successful export of the consignment because the contract makes clear that Embryonz does not guarantee that embryos passing through the centre will be eligible for export. This would not be clear to any outside observer who may consider that Suzanne has a conflict because her interests overlap.

In some cases, Suzanne’s remuneration as a shareholding veterinarian is directly linked to the successful export of the consignment. In these situations, a strong conflict of interest exists for Suzanne in being a certifying veterinarian and a shareholding veterinarian.

Suzanne informs Quality Auditors, who in turn inform MAFBNZ, of her new position as a shareholder in Embryonz.

Suzanne now considers how the two situations could be managed.

For most of Suzanne's work, the analysis is the same as in case study 2.
In cases where her remuneration is directly linked to successful export, Suzanne considers that she remove herself from signing certificates and overseeing the operations of the collection centre and leave these functions to Bill because her conflict of interest is strong.

Suzanne also considers the practicality of her proposals. It is not easy to manage the two situations separately – it requires considerable attention to systems and tracking of who has done what. Auditing would also be easier if only one person was involved in managing the centre processes. On balance, Suzanne decides to propose to Quality Auditors that she resign from the official assurance programme leave to Bill the role of signing certificates and overseeing the operations of the collection centre required for the Official Assurance Programme.

Quality Auditors forwards Suzanne’s proposal to MAFBNZ.

In addition to the New Zealand Veterinary Council Code of Professional Conduct for Veterinarians, MAFBNZ must consider the requirements of the World Animal Health Organization (OIE). These require that veterinarians issuing official assurances not only have no conflict of interest in the commercial aspects of the animals, but also be independent of the commercial parties. MAFBNZ needs to be confident the proposal delivers this outcome.

MAFBNZ discusses the situation with Quality Auditors and NZFSA Verification Agency. MAFBNZ notes that the proposal separates Suzanne from certifying documents in which she has other interests. This preserves the integrity of New Zealand’s Official Assurance Programme and allow Suzanne to meet the requirements of the New Zealand Veterinary Council Code of Professional Conduct for Veterinarians and the OIE.

MAFBNZ therefore accepts Suzanne’s proposal, and formally records the decisions and actions to be taken. Quality Auditors, Suzanne and NZFSA Verification Agency are then advised of the decisions.

**Case study 4 – an applicant to be a certifying veterinarian in an embryo centre has an indirect financial interest in the animals from which the embryos are collected**

In order to be approved, a team veterinarian must declare to a person recognised by the Director General that the veterinarian has no conflict of interest that would prevent them from certifying embryos for export. The declaration is then sent to MAFBNZ for approval. As a guide to the scope of this declaration, the declaration notes the relevant provisions of the OIE and the New Zealand Veterinary Council Code of Professional Conduct (Appendix 6).

Stephen is a veterinarian and owns land and buildings in a viable farm that is being developed into an embryo collection centre.

An animal breeding company, Breedz, has an order for exporting embryos to an overseas country. Breedz contracts Stephen to isolate the donor ewes and collect the embryos for the order.

Stephen agrees to provide the facility and manage the donor ewes for the consignment. The donor ewes have resided at the centre for two months and are owned by several different breeders. Stephen has no direct financial interest in the ewes. Stephen will receive a daily rate as his fee for service for embryo transfer surgery.
Stephen applies to TP Verifiers, a company that is a recognised agency by MAFBNZ, to be a certifying veterinarian. TP Verifiers has forwarded the application to MAFBNZ to consider whether or not this application can be approved in these circumstances.

Analysis

The first step is for MAFBNZ to identify if Stephen has interests that might be conflicting with his application to be a certifying veterinarian.

Stephen derives income from holding and managing the donor ewes on his property. He does not own the animals and therefore has no direct financial interest in them. These animals contribute only a small part of Stephen’s total income from the property.

MAFBNZ discusses the situation with TP Verifiers and NZFSA Verification Agency to ensure it has all the relevant information. MAFBNZ concludes that although his indirect financial interest overlaps with Stephen’s proposed role as a certifying veterinarian (the ewes help to ensure the viability of the farm), his overall level of interest in the ewes is low and does not appear to be sufficient to disqualify Stephen from becoming a certifying veterinarian under the requirements of both the New Zealand Veterinary Council Code of Professional Conduct or the OIE.

MAFBNZ documents its decision and informs TP Verifiers and NZFSA Verification Agency of the outcome.

Case study 5 – A MAFBNZ official is asked for advice on whether or not the procedures of a recognised agency (a third party verification agency) meets the requirements of MAFBNZ

MAFBNZ develops the standards for certifying exports. It also approves and audits recognised agencies (companies) providing supporting documentation for exports.

A new company wishes to become a recognised agency and provide eligibility documents for exporting live animals to overseas markets. The company gives Fred (a MAFBNZ official) a copy of its proposed procedures and asks Fred to advise if these will meet MAFBNZ’s requirements. Fred must later audit the company procedures. Fred is the only person who can advise the company on its procedures to ensure that the company can be approved.

Analysis

The first step is for Fred to identify if he has interests that are conflicting.

Fred has two different roles here. When providing advice Fred is effectively acting as a consultant to the agency, but he needs to do this to ensure the company can be approved. When auditing the company, Fred must be independent of the company. The advice Fred gives the company now could constrain his future options when auditing the company. A conflict of interest exists for Fred.

Fred declares the conflict and discusses it with his manager. Together they decide to remove Fred from being involved in future audits of this company with the audit being carried out by another part of MAF. They confirm this can be done, and document their decision.

This approach maintains the integrity of MAFBNZ’s Official Assurance Programme and Fred’s integrity as a MAFBNZ official. It is consistent with guidelines for managing of conflicts of interest contained in the OIE Terrestrial Animal Health Code, ISO 17020 and ISO17021, and the New Zealand Veterinary Council Code of Professional Conduct for Veterinarians.