



Identifying and managing conflicts of interest

A conflict of interest might seem like a clear-cut idea, but it is often hard to manage in practice.

The challenge comes from knowing when relationships, family ties or financial interests either appear to be, could be, or are in conflict with a public service employee's duty to put the public interest first.

Conflicts of interest aren't wrong, but they need to be managed

The first thing to remember is that it isn't wrong to have a conflict of interest. Everyone has financial interests, and we all have relationships with others, whether as friends, parents, spouses, or others. It's not uncommon for your personal interests to sometimes intersect with decisions you'll make in your everyday work as a government employee.

But the outcome of the decisions you make have to be fair and accountable, and having an unmanaged conflict of interest puts that fairness at risk in the eyes of the public. Your management of conflicts of interests must not only be done but be seen to be done.

The Integrity Commission has identified that conflicts of interest are the misconduct area of highest risk across the Tasmanian public sector. We are a small state, and it is highly likely that, at some time, we all will come across people we know in the course of our work or need to manage our interests. Accordingly, your understanding of conflicts of interest is critically important.

Why does it matter?

In the public sector, decisions must be made – and be seen to be made – on proper grounds, with fairness, and in the public interest.

Not managing a conflict of interest can undermine public trust in government and lead to the community being suspicious of the decisions you make, even when they are fair and proper.



CASE STUDY

In 2020-21, [Investigation Boomer](#) considered conflicts of interest arising for two employees working across the public and private sectors. The focus of the investigation was the establishment by one of the employees of a private business that provided services to the public organisation.

The allegations included that the employees failed to disclose and take reasonable steps to avoid conflicts of interest, influenced decisions that had potential to impact other service providers and the organisation's procurement of services from the business, and were benefitting privately from their public sector duties.

Our investigation found that, once the private business was established, the employees had a potential conflict of interest. However, while the organisation had satisfactory conflict of interest protocols, these had not been provided to the employees nor brought to their attention. Neither employee had identified, disclosed or taken steps to manage their potential conflicts.

Much of the relevant decision-making by both employees was found to have been made in the public interest. However, the employee who established the business was aware that services provided by the organisation could be advantageous to their business.

We found that this employee had attempted to influence decision making about increasing the frequency of these services, and the procurement of related services from their business. Due to the lack of relevant data and records, we were unable to determine whether the employee gained a direct benefit as a result of their public duties.

We identified a number of systemic issues that amplified the misconduct risks and generated obstacles to our investigation, including:

- ▼ poor record keeping practices and rudimentary record keeping systems
- ▼ unclear and undocumented decision-making and recruitment and procurement processes, and
- ▼ unclear supervision and management arrangements.

<https://www.integrity.tas.gov.au/publications/prevention-resources/investigation-summaries/2020-2021/2020-21-investigation-boomer-summary>

The benefits of good management

Managing conflicts of interest properly brings a range of benefits for public sector organisations:

- ▼ First and foremost, opportunities for corruption or improper conduct are reduced.
- ▼ Second, effective policies and procedures for identifying, disclosing, and managing conflicts of interest mean that unfounded accusations of bias can be dealt with straightforwardly and efficiently.
- ▼ Third, the organisation can demonstrate its commitment to good governance by addressing an issue commonly associated with corruption and misconduct.

A transparent system observed routinely by all employees will demonstrate to the public and others that the organisation is acting and making decisions with integrity.

Good practice tips

For individuals	For organisations
<ul style="list-style-type: none"> ▼ Spot your conflicts of interest early, with help from our resources and tools ▼ Talk over your possible conflict of interest with your manager, supervisor, or colleagues ▼ Save any documents (like papers, forms, or emails) related to your conflict of interest ▼ Plan out how you will manage your conflict of interest with help from your supervisor, and write it down ▼ Refer to the 'Six R's' for managing conflicts of interest: Register, Restrict, Recruit, Remove, Relinquish and Resign (on the Integrity Commission website) 	<ul style="list-style-type: none"> ▼ Provide a practical, accessible, modern conflict of interest framework or policy – and publicise it within the organisation ▼ Promote a workplace culture that encourages employees to talk about their possible conflicts of interest ▼ Support employees as they navigate their private and public interests ▼ Be realistic in the management of conflicts of interest – it is not necessary to remove people from every process ▼ Set an example from the top by declaring and managing conflicts early and with integrity



The Commission can help

We are available to provide support and assistance with identifying, reporting, investigating, managing and preventing misconduct: prevention@integrity.tas.gov.au or 1300 720 289.

For more Misconduct Prevention resources go to www.integrity.tas.gov.au/resources.