



## CONFLICTS OF INTEREST

### Frequently Asked Questions – general

Below are some of the questions people frequently ask the Integrity Commission about misconduct risks associated with conflicts of interest.

#### 1. Is it wrong for me to have a conflict of interest?

There is nothing wrong with having personal interests, and sometimes these may overlap or intersect with your duties or the decisions you make as a public sector employee.

Conflicts of interest become problematic when they are concealed, only partially revealed or mismanaged.

Research has found that the more confident people are in their ability to remain objective in situations where they are conflicted, the more biased they are likely to be.

Careful and transparent management of conflicts of interest is essential for transparent and accountable decision-making in the public interest and public trust in government.

#### 2. Does it matter what my situation looks like to other people if I know I don't have a conflict?

The perception of a conflict of interest can be as important as actually having one – it can lead to a lack of public confidence in your integrity and that of your organisation and the public sector. These perceptions are likely to be formed without full knowledge of the circumstances.

It would help if you considered how your situation might look to an outsider and put appropriate management strategies in place.

#### 3. If I mean well and am doing it for the right reasons, is it still a conflict?

Having good intentions is not an exception to the need to manage a conflict of interest. Research has shown that when people mean well, they are less conscious of the right action to take and are more likely to 'bend the rules' for their desired outcome.

For example, you may think that a friend or relative would be the best person for a job in your work area – they have all the relevant qualifications and experience. You may be less likely to inform your colleagues of your conflict of interest because – in your mind – the outcome ‘justifies’ your actions.

Good people can make bad ethical choices. Keep in mind that the public interest and public trust in government should be the most important principles guiding your decisions.

#### **4. I wouldn't make decisions favouring the person I know - I don't even like them! How is that a conflict of interest?**

You can't erase a conflict of interest by disliking a person. It's your connection or relationship to a person that creates a conflict of interest. Your dislike of someone can still affect your ability to carry out your duties impartially.

#### **5. If my private interest doesn't change the outcome, then do I have to declare it?**

Fairness and impartiality rely on good process. No matter what you think the outcome might be, you should ensure that any conflicts of interest are declared, documented and managed.

Even if you are not the final decision-maker, your involvement could influence the outcome. You must ensure that you declare any conflict of interest to the decision-maker.

#### **6. Isn't Tasmania too small to be able to follow standard rules about conflicts of interest?**

Working in small – or sometimes called ‘closed’ or ‘restricted’ communities – actually heightens the need to follow conflict of interest principles, rules and policies.

Regardless of the size of your organisation or constituents, you must follow the rules set out in your employment framework. And you must be diligent in declaring, documenting and managing any conflicts of interest.

#### **7. Do I need to declare a conflict of interest if it's not about money?**

A conflict of interest does not have to involve money. It can include personal relationships, other interests like outside employment or volunteering, or even a history of disputes with another person. These are also known as ‘non-pecuniary interests’.

## **8. Isn't it more important that I get the job done quickly?**

Public sector agencies are often required to deliver goods and services to the community under considerable time pressures.

However, getting the job done must not mean 'doing it at any cost'; in fact, failing to manage a conflict of interest properly may result in additional costs to a project by having to repeat processes.

The Tasmanian community expects public officers to act with integrity and impartiality and manage conflicts of interest appropriately.

## **9. Can all conflicts of interest be avoided?**

No, not always, but they can usually be managed. For example, in rural and regional areas, closer relationships between public officers and the community may heighten the chances of a conflict of interest.

Similarly, when skills are scarce, there may be a limited applicant pool for specific positions. In these types of situations, conflicts may be unavoidable. Proper identification, declaration, documentation and management of the conflict of interest are essential to mitigate risks arising from the conflict.

## **10. How can there be a conflict if I always act fairly and without bias?**

Most public sector employees act with integrity and impartiality and put the interests of their organisation and broader community first. However, despite the best intentions, if an actual conflict of interest exists, it can be difficult for an employee to separate the knowledge or loyalty associated with their private interest from their public responsibilities.

Even subconsciously, our actions may be affected by our interests, including deciding whether we need to declare a conflict and how to manage it.

Further, failing to declare a possible conflict may lead to a perception of bias and call into question an employee's decisions and actions.

## **11. I told my manager about the conflict of interest – is that all I need to do?**

It is not enough to merely advise your manager about a conflict of interest. It is the responsibility of both an employee and their manager to ensure conflicts of interest are identified, documented, and managed.

A good process includes properly recording the conflict and the resulting management plan and recording this on a central register to monitor and oversee.

## 12. Having a conflict of interest makes you look bad, so shouldn't it be hidden?

It is hiding a conflict of interest that makes people look bad, not having the conflict in the first place.

If someone says, 'I didn't declare my conflict because it would have made me look suspicious', the next question has to be, 'so, did avoiding the declaration make you look more, or less, suspicious?'

Declaring a conflict means you are being transparent and honest and protects the integrity of the decisions you and your organisation are making.

## 13. Do I have to declare a conflict of interest if others already know about it?

Even if people know that you have a conflict of interest, you need to formally disclose it to your manager. While you have assumed your manager knows about the conflict, they may not know everything, or only know about some aspects of the conflict, or have misunderstood what was involved.

## 14. If I don't disclose a conflict of interest, isn't the worst I'll get just a slap on the wrist?

Conflicts of interest are taken seriously. Your code of conduct, policies and procedures will state the potential consequences of any breaches relating to conflicts of interest.

A failure to properly manage a conflict can result in a financial and reputational loss for your organisation. Where you have intentionally hidden a conflict of interest and acted upon it, consequences can include termination of employment, other disciplinary action and even criminal prosecution.

### In summary

The best way to achieve effective conflict of interest identification, declaration and management is through open communication with your manager.



### 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](mailto:prevention@integrity.tas.gov.au) or 1300 720 289.

For more Misconduct Prevention resources go to [www.integrity.tas.gov.au/resources](http://www.integrity.tas.gov.au/resources).