



Conflicts of Interest





What is a conflict of interest?

A conflict of interest is:

- a situation where the responsibilities you have in your work for a public organisation are affected by an interest or relationship you have in your private life.

A conflict can exist where:

- the interest or relationship means you are biased; and/or
- someone looking in from the outside could have reasonable grounds to think you might be biased.

Does an interest mean you have a conflict?

- Having an interest does not necessarily mean you have a conflict of interest.
- Everyone has multiple roles and interests at work, at home in their extended families, or in the community.
- An interest becomes a potential conflict of interest only where your duties or responsibilities as an employee or office holder in a public organisation overlaps with your other roles or interests.



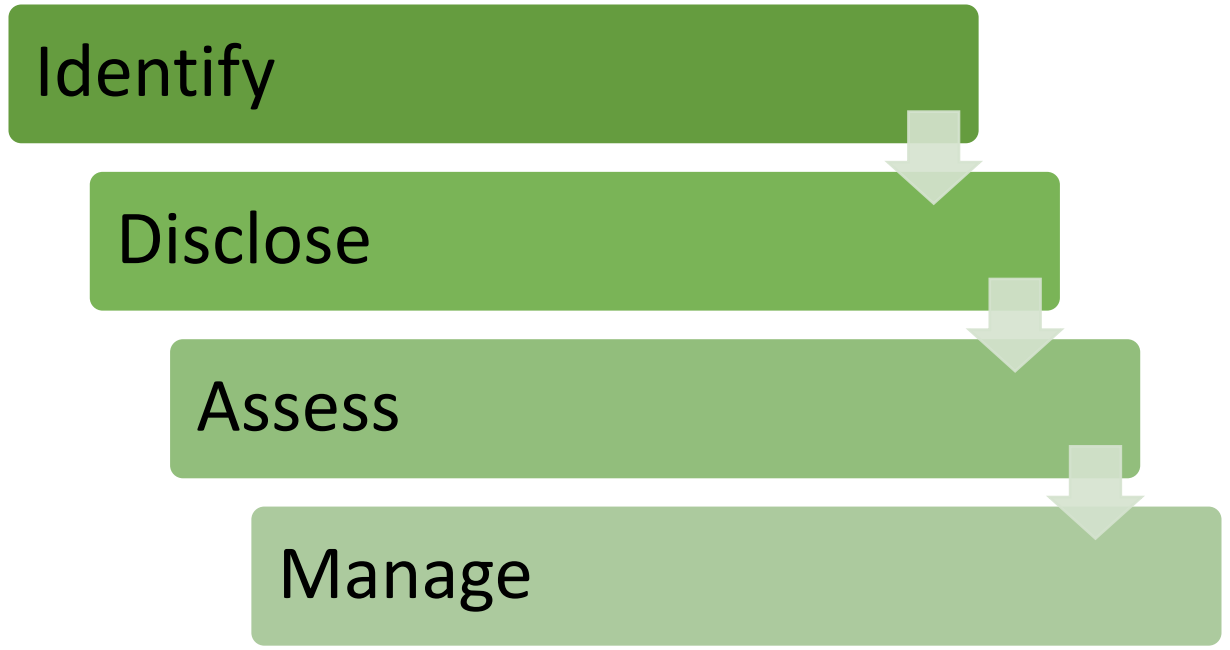
Different types of conflict

- financial;
- non-financial;
- conflict of roles; and/or
- predetermination.





What should you do if you have a conflict?



Managing conflicts of interest

Managing conflicts of interest is not just about creation and enforcement of policies and procedures.

Effective management of conflicts of interest within public organisations requires:

- having robust policies and procedures;
- promoting an ethical culture in an organisation; and
- ensuring an understanding of how well conflicts of interest are being managed.





What are the rules?

- there are no universal rules – only general principles;
- different rules apply depending on sector, entity type, type of conflict, and type of decision being made;
- the rules are generally stricter than in the private sector; and
- rules are derived from:
 - statutory rules;
 - common law rules; and
 - general standards and expectations.

Risks of conflicts of interest

- more significant risk in the public sector;
- poorly managed conflicts of interest can have consequences for individuals and organisations; and
- consequences for breaches of rules.



OAG good practice guide

OAG guidance available on our website (<https://oag.parliament.nz/2020/conflicts>):

- good practice guide: aims to support those working in the public sector to identify, disclose, and manage conflicts of interest;
- a quick guide to managing conflicts of interest: a one-page summary document;
- Local Authorities (Members' Interests) Act 1968: A guide for members of local authorities on managing financial conflicts of interest; and
- Integrity town: interactive quiz on conflicts of interest.

