

WHAT GOOD LOOKS LIKE

Managing conflicts of interest

What is a conflict of interest?

A conflict of interest is a situation where your responsibilities in a public organisation conflict, or could be seen to conflict, with another interest you might have. A conflict of interest can be:

- **actual** (where conflict already exists),
- **potential** (where conflict could happen), or
- **perceived** (where others might reasonably think conflict exists).

Having interests outside your work or governance role is expected. However, the risk from a conflicting interest should be avoided or managed well.

Why does managing conflicts of interest matter?

Managing risks from conflict of interest is particularly important for governors and staff in high-risk roles (procurement, grants, issuing permits or consents, conferring benefits or punishments). Effectively managing risks from conflicts of interest helps to:

- protect the reputation of your organisation, staff, and others;
- ensure decisions are made impartially and for the right reasons;
- safeguard decisions from the influence of personal interests or ulterior motives;
- reduce the risk of project delays arising from a complaint, or investigation; and
- maintain the trust and confidence of private and voluntary sector suppliers to compete for public sector contracts, which is essential for achieving best public value.

About this guide

This guide is for governors and senior managers. It poses questions and provides some indicators of whether your organisation meets our definition of what good looks like. It can help you manage risks from conflicts of interest effectively.

Effective conflict management

Establishing an ethical culture to identify and manage risks from conflicts of interest includes:

- a **framework** – policies, procedures, and a code of conduct;
- the right **infrastructure** – awareness, training, guidance for staff, alongside a register of gifts, hospitality, and interests for governors and senior managers;
- **applying** policies consistently and well – through a register, regular declarations, thoughtful consideration of issues, and a mechanism for handling breaches;
- senior managers and governors establishing, promoting, **monitoring, and reviewing** a culture of high ethical standards.

Where to find out more

[Audit New Zealand's assurance services](#)

[Office of the Auditor-General's conflict of interest resources](#)

[A guide for members of local authorities](#)

[The Integrity Town interactive quiz](#)

10 questions		Indicators of what good looks like
Framework	1. Is there a code of conduct that guides ethical behaviour?	<ul style="list-style-type: none"> • A code of conduct aimed at strengthening trust and confidence. • Principles of integrity, impartiality, accountability, trustworthiness, respect, and responsiveness. • Decision-making procedures are fair and free from bias or prejudice.
	2. Is your policy up to date and consistent with good practice?	<ul style="list-style-type: none"> • Policy covers ethical issues and sets rules for the most important actions people should take. • Policy is culturally appropriate and recognises te ao Māori. • Everyone can easily access and understand the policy.
Infrastructure	3. Is there good awareness, training, and guidance?	<ul style="list-style-type: none"> • Policies, procedures, and guidance effectively disseminated. • Staff know how to identify, report, record, and mitigate conflicts. • Staff are trained to interpret policy, have good support, and can escalate issues in confidence.
	4. Is there a register of gifts, hospitality, and interests for governors and senior managers?	<ul style="list-style-type: none"> • Registers are comprehensive and recognise the wide range of interests that could lead to a conflict. • Interests include personal and business interests, close family and friends.
Application	5. Do you record whether interests are financial or not, and whether they represent actual, potential, or perceived conflict?	<ul style="list-style-type: none"> • Registers include all relevant details. • Guidance on the difference between financial and non-financial interests, and when they might arise. • Guidance on actual, potential, or perceived conflicts and how the same issue could lead to all three.
	6. Do you record the agreed approach to managing conflicts?	<ul style="list-style-type: none"> • A process for considering conflicts among declared interests and how to manage them. • Conflicted parties agree to management plans.
	7. Do staff in high-risk roles declare conflicts as they arise?	<ul style="list-style-type: none"> • Processes for periodic and specific declarations for staff in high-risk roles. • Robust approach to ensuring risks are not accepted outside risk appetite.
	8. How do you handle non-compliance or breaches of policy?	<ul style="list-style-type: none"> • Process for reporting, recording, and mitigating breaches linked to codes of conduct and disciplinary procedures.
Monitor and review	9. Do you review your approach? What have you learnt?	<ul style="list-style-type: none"> • Reviews provide confidence that policy is working, and codes of conduct are complied with. • Improvements are actioned.
	10. Are declarations a standing item at governance meetings?	<ul style="list-style-type: none"> • Senior managers and governors demonstrate commitment to ethical behaviours. • Declarations have context and detail so that issues can be fully understood. • Good records of actions being discussed, agreed, and carried out to address declared conflicts.