

# Conflicts of interest

## What is a conflict of interest?

This guidance is intended to assist employees comply with the [Conflict of values, interests and politics policy](#) and the [MSD Code of Conduct](#). Further information on best practice is also available in the Auditor-General's [Managing conflicts of interest: Guidance for public entities](#) and the Te Kawa Mataaho – Public Service Commission [Model Standards: Conflicts of Interest](#).

Having a personal interest or relationship does not always mean you have a conflict. A conflict of interest occurs when your personal interest or relationship overlaps or conflicts with your role or responsibilities at MSD (or could overlap or conflict or looks to others like it does or could overlap or conflict). Personal interests can be financial or relate to family, friends or acquaintances. Disclosing a conflict of interest does not mean we have behaved inappropriately or done anything wrong – discussing these conflicts with our manager and working with MSD to manage or avoid them is what is important.

### A conflict of interest can be:

- **actual** – where the conflict already exists
- **potential** – where the conflict is about to happen, or it is reasonably likely it could happen
- **perceived** – where other people might reasonably think that a person is conflicted or cannot be objective or impartial (even if this is incorrect, how others perceive our actions can have a negative effect on us or MSD).

Any employee who deliberately fails to disclose a personal relationship or their involvement in an activity that is, or may constitute, a conflict of interest could face disciplinary action. In the case of a contractor, their contract may be terminated.

### Conflicts of interest examples:

A conflict of interest can arise in many different ways: through a relationship or another role you have, your financial affairs, or something you have said or done.

Examples of when a conflict may occur include:

- making decisions about funding where you, someone in your family, a friend or close acquaintance is involved in an organisation that receives funding from MSD (e.g. choosing a contract provider or awarding a tender where your friend works for one of the companies submitting a tender)
- where you are in a position where you could be working on the MSD file or record of someone you know or have a connection with
- being involved in the recruitment process when you know or have a connection to one of the applicants
- being a member of a club, team or association that may impact your role or responsibilities at MSD (this can include previous associations or memberships)
- using information, you gained through your employment at MSD for your personal benefit or to benefit a family member, friend or close acquaintance (e.g. helping a friend get a contract with MSD using information you became aware of in your role)
- being involved in a review process that impacts an MSD employee who is also your family member, friend or close acquaintance (e.g. making decisions that affect their terms of employment, pay or hours of work)
- being offered or accepting gifts or hospitality from a person or organisation when carrying out your responsibilities as an MSD employee

- having a close or personal relationship with your manager or someone in your direct reporting line
- working for another employer where your previous role could influence your role at MSD
- owning a property that is rented by MSD or clients of MSD.

### Managing a conflict of interest:

Your responsibility to disclose any actual, potential or perceived conflicts to your manager is ongoing – a conflict of interest may arise when you start another position at MSD or when your circumstances change.

Advising your manager of a possible conflict of interest protects you as an MSD employee. It is an important part of showing tika me te pono – that we are doing the right thing, with integrity. We need to be able to recognise a conflict and work out how this can be avoided or managed. This keeps us safe and protects MSD's reputation.

Your manager will discuss the seriousness of the conflict with you. This conversation may include:

- **identifying the type and size** of the personal interest (e.g. knowing someone as an acquaintance or having official dealings with them previously isn't usually a problem, but a close personal relationship or recent dealing with someone could be)
- **considering what would happen if there was external scrutiny** (e.g. what would happen if someone outside MSD became aware, or how would your personal interest be perceived by other people who may not know all the facts?).

Some conflicts are unavoidable, especially in a small country like New Zealand. If a conflict can't be avoided altogether, the situation should be reviewed to determine if the actual, potential or perceived conflict can be managed. There are many different protections we can put in place to manage a conflict. Examples include:

- transferring your responsibility or specific duty to another MSD employee
- increasing the transparency or scrutiny of the decision-making process (e.g., a third party may review the process or have final sign-off on the decision)
- removing yourself from the discussions or the final decision-making process (this works well where you could influence the process because of your personal interest, or this is how it could be perceived by others)
- agreeing that you will report to someone else or someone in your team will no longer report to you
- agreeing that you will not undertake certain duties for MSD for a specific period of time (e.g., you agree not to work on a specific project for 12 months as this could conflict with your previous employment)
- taking no action (your manager decides that disclosing the conflict is sufficient in the circumstances).

If you can't agree with your manager on how an actual, potential or perceived conflict should be managed or you have concerns about the plan to manage it, please contact People Group (Human Resources) at [AskHR@msd.govt.nz](mailto:AskHR@msd.govt.nz) for further information.

### Conflict of interest form:

This [Conflict of Interest form](#) should be used to disclose conflicts of interest and how they will be managed. Once it has been signed by the staff member and their manager it should be saved in MyHR under other documents.

You and your manager are equally responsible for ensuring mitigations are actioned and conflicts of interest are reviewed regularly, and the form is kept up-to-date.