



Public Sector
Commission

Management of Conflicts of Interest by Public Authorities

An integrity thematic review

August 2023



From the Public Sector Commissioner

Promoting and maintaining the highest levels of integrity reinforce confidence that the decisions and actions of those working in the government sector are taken in the interests of the Western Australian community.

Impartiality is a core standard of conduct and integrity for all public authorities. Demonstrating impartiality provides assurance that decisions by public officers are based on merit and not influenced by personal motivations.

This review considers approaches to conflicts of interest by a cross section of Western Australian public authorities including departments, local governments, government trading enterprises and public universities.

It is my second theme-based review of integrity policy, practice and procedures in the government sector. It is part of my continued focus on embedding planning, management, controls, governance and culture that enhance integrity.

While the policies and procedures of each authority in this review reflect the importance of managing conflicts of interest, individual approaches are influenced by each authority's size and remit.

Usefully, this allows comparisons and consideration of different approaches. To this end, I provide "expectations for improvement".

I expect chief executive officers to consider this report and their conflicts of interest practices, and implement improvements where appropriate.

I am grateful to the authorities generously sharing information and practices to provide valuable insights that can be used across the government sector to strengthen both our individual and collective efforts in ensuring the highest levels of integrity.



Sharyn O'Neill PSM
Public Sector Commissioner

August 2023

Managing conflicts of interest requirements

Public authorities serve the people of Western Australia who rightly expect public officers to carry out their roles and responsibilities with integrity and impartiality.

A conflict of interest refers to a situation in which a public officer or contractor has a personal or financial interest that may influence or appear to influence their decisions and/or actions in the workplace.

There are 3 types of conflicts of interest. An **actual** conflict of interest already exists, a **potential** conflict of interest may occur in the future, and a **perceived** conflict of interest occurs when a third party may form an opinion that a public officer's decisions or actions may have been, or could be, influenced by personal benefit.

Examples include gaining or providing benefits through personal influence, unapproved or unauthorised secondary employment, favouritism or bias in any form, receiving gifts or benefits for services rendered, and failing to act in an honest and impartial way.

To uphold public trust and confidence that decisions are unbiased, impartial and fair, public authorities must manage risks associated with unaddressed conflicts of interest. Part of this responsibility is to ensure every public officer understands, recognises and declares any conflicts of interest.

Each authority must support officers managing conflicts of interest by using a combination of measures such as behavioural, strategic, people, policy and oversight – all within the framework of its operational and legal obligations.

Inadequate management of conflicts of interest and associated risks have been highlighted in recent reports:

- *Perth Casino Royal Commission: Final report (2022)*
- *Misconduct within the Department of Communities relating to country building projects* (Corruption and Crime Commission, 2022)
- *Red flags...red faces* (Joint Standing Committee on the Corruption and Crime Commission, Report 14, 2020)
- *Report into how conflicts of interest undermine good governance: A report on the chief executive office of the Shire of Halls Creek* (Corruption and Crime Commission, 2018)
- *Serious misconduct in procurement of environmental services* (Corruption and Crime Commission, 2019)

The Public Sector Commission is enhancing conflicts of interest information and resources for public authorities as part of its statutory function to strengthen the integrity of the government sector to protect public resources and earn the trust of the community.

How the review was undertaken

The Commission invited a small number of public authorities to be part of this review so opportunities for improvement could be shared across the government sector.

Thematic reviews do not aim to provide an account of the specific policies and practices of individual authorities. Instead, they use the experiences of authorities to identify areas for improvement to enhance integrity across the sector.

Reviews also highlight instances where authorities have strong procedures and policies, and identify opportunities for sharing knowledge with others.

This review included interviews with key officers responsible for the conflicts of interest function in their authorities, and examination of authorities' relevant internal policies and procedures.

The participating authorities included 5 departments, 3 local governments, 2 government trading enterprises and 2 public universities. Employee numbers ranged from 60 to 3,270.

The volume and complexity of declarations received by authorities varies according to their size and function. This review considered management processes of authorities receiving from 2 to 250 declarations a year.

The review focused on:

- policy and procedural frameworks for declaring and managing conflicts of interest
- communications and training to inform officers about declaring and managing conflicts of interest
- implementation of policies and procedures
- monitoring and evaluation of approaches.

This report includes observations under these 4 focus areas and practice improvements to be considered by all authorities to benefit the entire sector and strengthen the management of conflicts of interest.

Expectations for improvement summary

Focus area	Improvement
Policy framework	<p>Authorities with designated conflicts of interest policies define and give examples of the 3 types of conflicts of interest.</p>
	<p>Authorities include in policies all internal and external pathways to report conflicts of interest.</p>
	<p>Authorities integrate codes of conduct and policies for managing conflicts of interest in all relevant frameworks.</p>
Awareness and training	<p>Authorities have induction programs and formal integrity training that include conflicts of interest when public officers commence, and refresher training every 2 to 3 years.</p>
	<p>Authorities train decision makers, managers and integrity officers to identify and manage conflicts of interest and the appropriate steps to be taken.</p>
	<p>Authorities provide public officers and managers with decision making tools specific to their operational needs to identify and manage conflicts of interest.</p>
	<p>Authorities establish centralised online resource pages for public officers to access integrity related policies including conflicts of interest procedures, templates, forms and registers.</p>
	<p>Authorities provide seasonal reminders to public officers on conflicts of interest, particularly towards the end of financial and calendar years.</p>

Focus area	Improvement
Implementing policies and procedures	<p>Authorities enhance conflicts of interest forms to include multi-tier endorsement processes and end dates, with a maximum validity period of 12 months.</p>
	<p>Authorities integrate conflicts of interest declarations into induction processes for new employees.</p>
	<p>Authorities establish a central register that allows for comprehensive review of all conflicts of interest.</p>
	<p>Authorities consider digitising conflicts of interest registers to enhance accuracy, analysis, reporting capability and accessibility.</p>
	<p>Authorities include triggers/prompts to initiate, at least annually, reviews of conflicts of interest.</p>
	<p>Authorities' conflicts of interest management plans are comprehensive and tailored to their functions, activities and risks, and include annual reviews.</p>
	<p>Authorities support decision makers with tools, multi-tier authorisation processes, dedicated advisory or support teams, and bespoke training.</p>
	<p>Authorities integrate conflicts of interest discussions into performance processes.</p>
Monitoring and evaluating	<p>Authorities routinely analyse conflicts of interest declarations to identify irregularities, trends and seasonal risk so targeted controls, training and procedural improvements are established.</p>
	<p>Authorities implement annual internal surveys of conflicts of interest perceptions to understand potential challenges faced by disclosers and managers.</p>
	<p>Authorities with integrity frameworks, or those required to implement integrity frameworks under Commissioner's Instruction 40: Ethical Foundations, use the annual internal surveys to assess conflicts of interest policies and embed recurring review dates.</p>
	<p>Authorities provide senior management with regular reporting on current conflicts of interest declarations and relevant trends.</p>

Conflicts of interest disciplinary and misconduct data

Under the integrity and conduct annual collection, public authorities are required to provide the Commission with contemporary information about disciplinary and misconduct matters related to conflicts of interest.

The [State of the WA Government Sector Workforce 2021-22](#) showed:

- 13 authorities managed at least one discipline process relating to a failure to declare or manage conflicts of interest
- 5 authorities managed a disciplinary proceeding relating to an inappropriate acceptance of a gift or benefit
- 9 authorities managed a disciplinary proceeding relating to unauthorised secondary employment
- 163 authorities conducted reviews or audits against procurement decisions, gifts and benefits registers or conflicts of interest declarations.

Additionally, as part of its oversight role of minor misconduct under the *Corruption Crime and Misconduct Act 2003*, in 2021-22 the Commission received 62 allegations of unethical conduct relating to failure to manage a conflict of interest and 18 allegations of inappropriate acceptance of a gift or benefit of some form.

Policy framework

To ensure appropriate declaration and management of conflicts of interest, it is essential for public authorities to have integrated policy and procedural frameworks.

Policy framework

Declaration and management of conflicts of interest, or other components of government sector integrity, start with authorities setting clear expectations about integrity matters.

Codes of conduct detail specific expectations within the context of authorities' risk profiles and legislative and operational requirements.

In addition to codes of conduct, authorities may have specific policies and procedures detailing their approaches to declaring and managing conflicts of interest.

Observations

- All 12 authorities considered by this review:
 - provided public officers with their code of conduct at the commencement of employment
 - required public officers to read the code and either sign or electronically declare they understood it
 - provided public officers with reporting mechanisms for suspected breaches.
- 11 authorities had designated conflicts of interest policies and procedures, with 9 defining the 3 types of conflicts of interest.

Expectations for improvement

- Authorities with designated conflicts of interest policies identify and define the 3 types of conflicts of interest, and provide specific examples relevant to their remit and responsibilities to ensure public officers understand the components of conflicts of interest and identify which types of conflicts are relevant to them.
- Authorities identify in their policies all pathways to report conflicts of interest, including external options such as the Public Sector Commission and Corruption and Crime Commission when conflicts of interest may amount to misconduct.

Integration with other organisational frameworks

In addition to contextual codes of conduct and frameworks, authorities may use other organisational frameworks and policies to manage conflicts of interest including:

- governance framework
- integrity framework
- risk management framework
- procurement and contract management framework
- recruitment policies and procedures
- gifts and benefits policies and procedures
- secondary employment policies and procedures
- fraud and corruption plan
- compliance framework.

It is important that authorities' codes and frameworks for managing conflicts are consistent, integrated and cohesive with other organisational frameworks. This helps ensure overall integrity and effectiveness of authorities' operational environment by providing a clear and consistent approach to managing risks, ensuring compliance with applicable legislation and regulations, and promoting integrity.

If frameworks are not properly integrated, there may be duplication of effort, gaps in coverage and conflicting guidance – leading to inefficiencies, increased risks and ultimately undermining authorities' ability to achieve their objectives.

Observations

- All authorities considered by this review had a range of frameworks in line with their specific legislative and operational contexts. However, there was variation in cohesiveness, integration and comprehensiveness across these frameworks.

Expectations for improvement

- Authorities ensure all frameworks are integrated with code of conduct and policies for managing conflicts of interest. Authorities should develop and use as many frameworks, policies and procedures as relevant. This enhances reputation, builds community trust and fosters a culture of integrity and accountability.

Awareness and training

Public authorities need to appropriately equip their officers to declare and manage conflicts of interest. This means officers are well informed, aware and trained in this area.

Public officers must regularly assess whether they have any conflicts of interest and take reasonable steps to avoid situations where private, financial and other interests (and those of immediate family members) could conflict, or be perceived to conflict, with their public duties.

To maintain awareness of the importance of managing conflicts of interest, authorities should offer high quality induction for new public officers as well as integrity training for all public officers, provide access to relevant decision making tools and other resources, and implement targeted communications strategies about integrity expectations.

Induction and integrity training

A well rounded induction program for new public officers lays the groundwork for upholding integrity and ethical conduct in public authorities, fostering a culture of trust and confidence among stakeholders.

General training on ethical behaviours and decision making, or targeted training on conflicts of interest, help ensure public officers clearly understand their responsibilities.

Observations

- Each authority considered in this review had a structured induction program delivered in person or online. Each program included a component on declaring and managing conflicts of interest.
- 11 authorities provided public officers with integrity training. Several authorities featured conflicts of interest training as part of their induction process. Those using a specific module for conflicts of interest were larger authorities that received a higher volume of declarations.
- For example, one authority, in conjunction with another larger authority, customised online ethical training with specific modules and scenarios on conflicts of interest. Completion rates were reported and timelines noted for refresher training.
- 9 other authorities provided specific scenarios in their education tools for public officers to understand both the decision making process and what may happen when conflicts are not managed.

Expectations for improvement

- Authorities have formal induction programs that include conflicts of interest as a key component. Additionally, integrity training suitable for the operating environment is provided to all public officers at commencement and every 2 to 3 years as refresher training, including conflicts of interest modules.
- Authorities provide bespoke training to decision makers, managers and integrity officers on how to manage conflicts of interest and appropriate steps to take. Authorities can incorporate different modes of delivery such as scenarios and videos.

Decision making tools and resources

Conflicts of interest decision making tools help public officers declare and manage potential conflicts. For instance, the [Conflicts of Interest Guidelines for the WA public sector](#) suggest using the 6 Ps to identify situations requiring conflict declarations and the 6 Rs to guide management of declared conflicts.

The 6 Ps for identifying situations in which conflicts of interest might be declared are:

- public duty versus private interests
- potentialities
- perception
- proportionality
- presence of mind
- promises.

The 6 Rs for managing declared conflicts are:

- record/register
- restrict
- recruit
- remove
- relinquish
- resign.

Other relevant conflicts of interest resources include policies, procedures, forms and databases.

Observations

- 8 authorities considered in this review referred to decision making tools such as those in the guidelines. These tools helped public officers understand and work through conflicts of interest and apply appropriate management strategies. These authorities were familiar with the tools, which featured in a mix of policies, induction and in person training.
- All authorities had information and resources accessible for all public officers. Several had dedicated intranet pages as a 'one stop shop' for conflicts of interest including policies, procedures, forms and databases.
- One authority had a custom-built conflicts of interest database to record, assess and approve conflicts. Documentation behind the system included flowcharts and approval processes to ensure public officers understood the system.
- A local government authority educated public officers through regular integrity focused emails and newsletters, and monthly good governance forum sessions. They invited well known speakers to discuss conflicts of interest and apply learnings to the workplace. These sessions were informed by employee perception surveys to identify trends and gauge topics of interest.
- Another authority's integrity and compliance team supported managers to apply appropriate management plans by providing expert consultancy and advisory services. The team was promoted internally as subject matter experts for risk mitigation, and they supported decision making by ensuring continuity across all management plans.

Expectations for improvement

- Authorities provide public officers and managers with decision making tools to identify and manage conflicts of interest. They tailor the tools to their specific operational needs.
- Authorities provide centralised online resource pages for public officers to access integrity related policies including conflicts of interest procedures, templates, forms and registers.

Targeted communications

Targeted communications increase public officers' awareness of seasonal conflicts of interest risks.

Seasonal risk refers to potential conflicts of interest arising during specific times of the year or during particular events. For example, public officers may attend end of year functions or receive gifts from external parties which could create conflicts of interest if not appropriately managed. Similarly, during procurement processes conflicts of interest may arise if public officers have personal relationships or financial interests in the vendors being considered for contracts.

Targeted communications help public officers identify potential conflicts of interest and take steps to manage them appropriately such as disclosing conflicts to supervisors and avoiding situations that compromise their impartiality. By providing clear guidance and reminders, targeted communications help public officers navigate complex ethical situations and uphold the integrity of their authorities and the sector.

Observations

- All authorities alerted public officers to their obligations regarding seasonal risks including acceptance of gifts and benefits. This was achieved by sending reminders towards the end of calendar and financial years.

Expectations for improvement

- Authorities ensure public officers are aware of their obligations as public officers by issuing reminders on conflicts of interest, especially towards the end of calendar and financial years.

Implementing policies and procedures

For conflicts of interest management systems to be effective, public authorities must ensure their policy and procedures framework is embedded in practice.

While officers are responsible for declaring conflicts of interest, it is the responsibility of authorities to manage and mitigate risks arising from these conflicts.

To manage conflicts of interest, a combination of managerial and procedural controls must be in place, along with an organisational culture that prioritises integrity. Providing public officers with appropriate training, decision making tools and a user friendly system reduces the potential for conflicts to influence decision making.

Implementing organisational conflicts of interest policies and procedures means having forms that collect sufficient information for proper assessment and management. Forms should include personal details, conflict type and risk mitigation plans. Further, a comprehensive authority-wide register allows analysis to identify trends and apply consistent management plans. Authorities considered in this review differed in their conflict management strategies but commonalities included assessing individual positions, discretionary delegation and public interest consideration.

Declaring conflicts of interest

Conflicts of interest may be declared using customised electronic or paper based forms. To adequately assess and manage potential conflicts of interest, forms need to collect sufficient information. A comprehensive form may cover a discloser's personal details such as their position and business area. It should also:

- identify the type of conflict – actual, potential or perceived
- outline the risk mitigation plan to be implemented
- identify the delegated authority responsible for approving the management plan.

Observations

- All authorities used forms, either electronic or paper based, to capture declarations of conflicts of interest. However, some authorities did not require public officers to categorise the type of conflict as actual, potential or perceived. All authorities included a public officer's personal information such as their position at the time of declaration and the nature of the conflict. All authorities required management approval for declared conflicts of interest.
- One authority used a comprehensive form that required 4 tiers of acknowledgment and approval for each conflict of interest. The form included a decision making checklist to determine whether a conflict exists and apply a management plan that satisfies the public interest. This workflow allowed multiple unbiased and alternative perspectives to identify risks and applied management plans, enhancing quality assurance and accountability.
- Another authority used the [Statement of personal interest for executive officers](#), which supports tier 1 officers identify conflicts of interest, promoting accountability and establishing clear expectations for the authority's leaders.

Expectations for improvement

- Authorities enhance their conflicts of interest forms by implementing multi-tier endorsement processes and end dates with a maximum validity period of 12 months. This prompts annual reviews or acknowledgement of declared conflicts of interest. Authorities also provide contact points or business areas responsible for retaining forms and information.
- Authorities integrate conflicts of interest declarations into employment and induction processes. This sets the expectation for public officers to declare conflicts at the beginning of their employment, promoting accountability and improving procedural transparency.

Organisational register

An authority-wide conflicts of interest register, regardless of its complexity, enhances the ability of authorities to accurately process, update and review declared conflicts of interest and applied management plans. Having an accessible, robust register with appropriate audit trails allows authorities to identify and report on current and emerging trends, use validated data to evaluate control mechanisms and strengthen practices, and apply consistent management plans.

Observations

- In the authorities considered in this review, conflicts of interest registers ranged from paper based personnel files to customised online systems. At a minimum, the registers recorded an individual's personal information, position and nature of the conflict. Most authorities separated the ownership of the registers depending on the nature of the conflict. For instance, declarations concerning recruitment or personal relationships were retained primarily by human resource divisions while procurement and tender conflicts were held by finance. Impartiality matters were generally centralised.
- One authority developed a customised online conflicts of interest register that conformed to the fundamental principles and expectations of its code of conduct. The system required users to enter, categorise and define their conflicts before an automated entry was sent to their line manager (or delegated authority) for evaluation and approval. The system was user friendly and integrated with the organisation structure to ensure the delegated authority was not associated with the conflict. It used periodic email prompts to remind the discloser and delegated authority to update details. It detected and monitored non-compliance, failure to endorse and inadequate management plans. It provided managers with decision making tools, including management strategies, before authorising the declaration.
- One authority used a register that was part of the larger authority's system. Officers entered their conflicts on the intranet based system, after which a workflow was generated to line managers. Once assessed and authorised, declarations were attached to subjects' personnel records which could be amended for as long as the conflicts continued.
- One small local government authority employed a paper based declaration and 2 tier authorisation process requiring the chief executive officer's final authorisation. The user completed the declaration in collaboration with their line manager, after which it was sent to the CEO for oversight. Following the CEO's endorsement, the declaration was physically stored on the subject's personnel file and maintained by human resources. This approach ensured the CEO was aware of all management plans and areas of potential influence and enabled the smaller authority to remain accountable yet personable.

Expectations for improvement

- Authorities capture in one place all conflicts of interest so they are easily able to be viewed and reviewed. Authorities may have multiple conflicts of interest registers and business areas responsible for maintaining declarations depending on the nature of the conflicts.
- Authorities digitise their conflicts of interest registers to enhance accuracy, analysis, reporting capability and accessibility, providing greater management capabilities and improving business continuity.
- Authorities include prompts or triggers in their conflicts of interest registers to initiate review at least annually, increasing accountability and ensuring management plans remain current and are modified when necessary. Options include recurring calendar entries for disclosers and/or their line managers or formulas or algorithms integrated into bespoke systems.

Implementing management strategies

Implementation of management strategies for conflicts of interest varied between authorities according to their size, organisational structure and risk profile. Despite these differences, some similarities were observed including evaluation of the individual's position, discretionary delegation and consideration of public interest when managing conflicts.

Observations

- All authorities considered in this review had mechanisms to manage conflicts of interest declarations. Some had purpose-built systems while others relied on manual inputs.
- 8 authorities used conflicts of interest management tools such as those described in the [Conflicts of Interest Guidelines for the WA public sector](#).
- 6 authorities had a minimum review timeframe of 12 months for all conflicts of interest, and 3 authorities stressed the importance of end dates for conflicts of interest management plans to promote transparency and assurance.
- One authority, with an explicit positive risk culture and anonymity provided by their internal integrity hotline, identified an individual engaged in unauthorised secondary employment with a significant undeclared conflict of interest. The authority implemented various management strategies to mitigate the conflict.
- Some authorities reported occasional difficulty in applying recommended management strategies due to the subjective and ambiguous nature of conflicts of interest thresholds.

Expectations for improvement

- Conflicts of interest management plans are comprehensive and specific to the unique functions, activities and risks of each authority. Authorities consider annual reviews of conflicts of interest declarations and ensure applied management plans reflect risk profiles.
- To support those responsible for conducting risk assessments and authorising conflicts of interest management strategies, authorities implement decision making tools, multi-tier authorisation processes, dedicated advisory or support teams, and bespoke training.
- To encourage accurate and timely declarations, authorities integrate conflicts of interest discussions and reviews into performance processes.

Monitoring and evaluation

Monitoring and evaluating the approach to managing conflicts of interest provides assurance that processes are being undertaken as intended and control improvements are current.

Legislative frameworks governing conflicts of interest vary in their level of specificity depending on the type of public authority. For instance, the *Local Government Act 1995* requires conflicts of interest to be declared before council meetings, and to be registered and published. It sets allowable thresholds and recurrence rates for gifts, benefits and hospitality offered to and accepted by chief executives and councillors.

Authorities governed by the *Public Sector Management Act 1994* and Commissioner's Instructions are required to have codes of conduct that are consistent with and build on the WA Public Sector Code of Ethics including Standard 2: Impartiality that mandates public sector employees placing the public interest over their own interests, and declaring and managing conflicts of interest.

Although there is no legislative obligation to define specific practices for managing conflicts of interest, most public authorities have procedural guidelines and practical solutions in their individual codes. All the reviewed authorities incorporated content from the [Conflicts of Interest Guidelines for the WA public sector](#), which provides a template for assessing risks and applying appropriate management plans. This best practice approach has increased confidence in the sector and ensures continuity.

The 2022 [Perth Casino Royal Commission](#) highlighted negative consequences of undeclared conflicts of interest combined with inadequate management practices. These deficiencies damaged community trust in government officials, decisions and integrity. Recommendations 39 and 40 addressed the need for robust and comprehensive conflicts of interest guidelines and additional support for decision makers. It emphasised the requirement for an annual conflicts of interest review process. It is essential for authorities to have clear and comprehensive guidelines for managing conflicts of interest to help prevent unethical conduct and maintain public trust in the integrity of the public sector.

Continuous analysis and improvement

Periodic assessment on the effectiveness of conflicts of interest processes allows continuous improvement and identification of procedural and system inadequacies. Routine analysis provides insights into specific risks and culture matters. It also encourages systemic change such as:

- analysing previous conflicts of interest information for patterns or trends
- benchmarking against similar organisations
- reviewing or auditing the conflicts of interest framework
- employee perception surveys.

It is only through introspective assessment that improvements are identified and actioned.

Observations

- Most authorities lacked the volume of conflicts of interest declarations to complete routine trend or pattern analysis. However, all authorities stated they aimed to strengthen practices and identify areas for improvement.
- One authority regularly sought to identify areas for improvement and gauge the effectiveness of its conflicts of interest practices by collecting data from public officers in an annual perception questionnaire.
- One authority's legal team conducted voluntary annual employee perception surveys to determine the accuracy of behaviour and management controls and allow benchmarking against similar organisations. Data from the survey provided qualitative information on trust in the declaration process, bespoke systems, application of management strategies and review process.
- One authority engaged with a similarly sized interstate organisation in its industry sector as a benchmarking strategy to identify deficiencies in its conflicts of interest policy, register and management plans. This external consultation provided an introspective assessment and potential framework improvements such as a bespoke industry specific declaration system for conflicts of interest with tailored management plans to meet the unique relationships in its workforce.
- Following the detection of an undeclared conflict, one authority used the finalisation of a conflicts of interest disciplinary process as an opportunity to educate public officers, reaffirm procedural obligations and strengthen its speak up culture.
- One authority sought to analyse and improve all aspects of its conflicts of interest framework by conducting an external fraud and corruption audit, and using an external consultant to provide a bespoke register and training packages.
- Many authorities recognised the need to improve their approaches to monitoring and reviewing conflicts of interest. For example, 2 authorities considered evaluating or auditing their approaches. Smaller authorities, with only a few declared conflicts each year, indicated they had no plans to formally analyse and improve their processes but were open to biannual reviews.
- Local government authorities have a regulatory framework requiring the chief executive to review on a triennial basis systems and procedures relating to legislative compliance, risk management and internal controls.

Expectations for improvement

- Wherever possible, authorities routinely analyse conflicts of interest declarations to identify irregularities, current trends and patterns, and seasonal risks. This provides insight into the effectiveness of management plans, highlights poor practices and allows targeted controls, training and procedural improvements.
- Authorities consider an annual internal survey of conflicts of interest perceptions to understand challenges faced by disclosers and managers. This ensures declaration processes are cohesive and practical, and allows for benchmarking of applied management strategies. Further, authorities confirm public officers are supported and understand their obligations.
- Authorities with established integrity frameworks, or those required to implement integrity frameworks under [Commissioner's Instruction 40: Ethical Foundations](#), use the survey to assess conflicts of interest policies and embed a recurring review date. The [Maturity Self-Assessment Tool](#) provides insight to the maturity of frameworks and guidance for improvements.

Reporting and oversight

Reporting and oversight mechanisms allow identification, assessment and management of conflicts of interest. This includes monitoring disclosures, reviewing and approving management plans, and implementing appropriate risk mitigation measures. Reporting and oversight mechanisms also help identify emerging trends and areas of concern which inform development of policies and procedures to better manage conflicts of interest.

Observations

- One authority's employee relations manager was responsible for quarterly auditing of the conflicts of interest and gifts register. The audit reviewed the accuracy of the management strategies, accepted and declined gifts to identify concerning or non-compliant vendors, and appropriateness of systems controls. This information was provided for executive's consideration.
- One authority's head of compliance received a weekly report of declared conflicts of interest and was authorised to challenge assessments and management plans to increase accuracy and accountability.
- Several authorities stated they had the means to audit and report on completion rates of mandatory integrity based training modules and proactively report this data to their executives to provide assurances on target risk mitigation strategies.
- All local governments reported to their chief executives (or similar) on numbers of conflicts of interest declarations, management plans and any associated disciplinary processes.
- The university sector provided corporate executives and audit committees with reports on conflicts of interest bi-annually as a minimum.

Expectations for improvement

- Authorities consider providing senior management with regular reports on:
 - current conflicts of interest declarations
 - trends and patterns of interest
 - offered, accepted and rejected gifts, benefits and hospitality
 - potential areas for improvement.