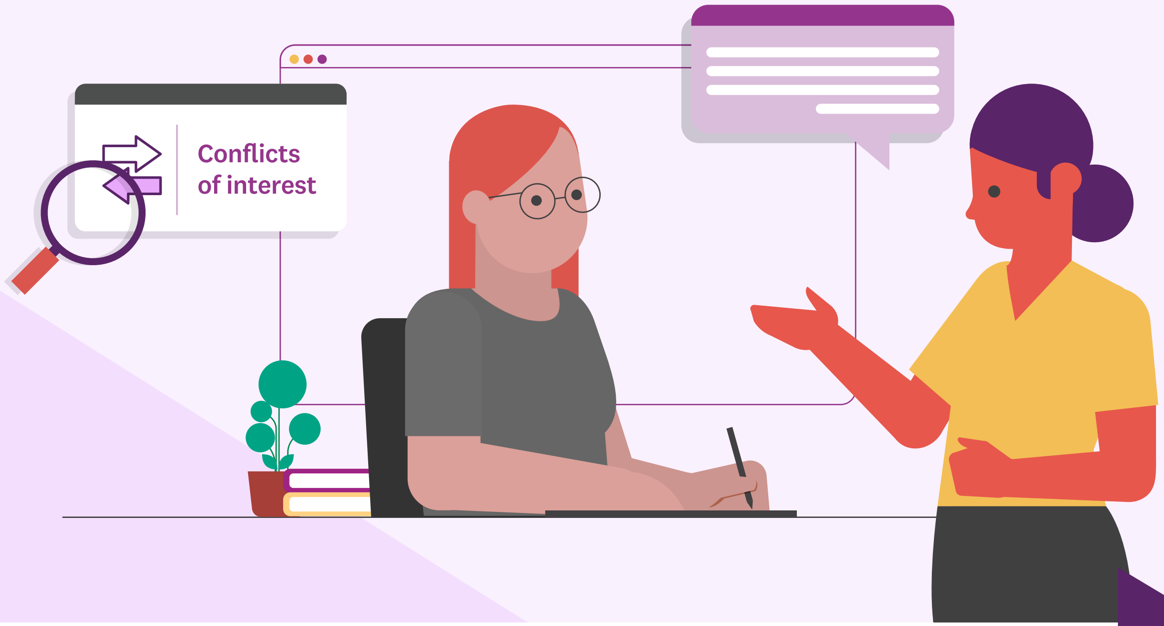

Conflicts of interest and bias

Guidance material – integrity scenario

This guidance material presents an 'integrity scenario' which is intended to assist in public sector training regarding integrity risks, highlighting the risks of conflicts of interest and the importance of maintaining fairness and impartiality in public institutions. It shows how even the appearance of a conflict of interest can affect trust and integrity. By having clear rules and managing potential conflicts proactively, organisations can avoid these issues and maintain public confidence.

The situation

A registrar at a regional court also served as a board member for a local not-for-profit organisation working on social issues like mental health and family support. This not-for-profit sometimes worked with the court by providing expert opinions and reports on cases. The registrar's duties included managing case files and scheduling hearings. This created a potential conflict of interest, as the not-for-profit's involvement with the court created an overlap between personal and professional roles.

How did the misconduct start?

The problem began when the registrar was assigned a case involving the not-for-profit for which they were a board member. Given their knowledge of the not-for-profit's important role in serving the community, the registrar decided to prioritise the case in the court schedule. The registrar believed they understood the not-for-profit's effectiveness in serving the community and thought it deserved priority based on that understanding. The registrar consequently allocated extra time for this case and rescheduled others. This reasoning introduced a layer of bias into the registrar's decision-making. At this point, the registrar did not reveal their board membership to their employer or seek advice on how to handle this conflict. They believed their involvement was limited and that speeding up the case was justified by its significance, which led to a loss of impartiality.

How did it escalate?

The situation escalated when an article from the not-for-profit's magazine ended up on a desk at the court, showcasing the registrar's role and activities with the not-for-profit organisation. This raised concerns among court colleagues about the registrar's dual roles. Although informal discussions among staff about the potential conflict started, no formal declaration was made by the registrar or procedural changes implemented by the court's management. The registrar continued to downplay the concerns, claiming their actions were in support of a worthy cause. The lack of formal disclosure and oversight made it difficult for court management to handle the conflict effectively.

The court struggled to decide if the registrar's actions were biased or if they were conducted in good faith. The lack of clear guidelines allowed for subjective interpretation of what constituted a conflict of interest and how it should be managed.

To manage this effectively, the court would have benefited from explicit guidelines on declaring affiliations and managing conflicts of interest. The lack of clear guidance led to poor transparency in decision-making, making it hard to address and resolve such issues.

While the registrar did not interfere in the application of the law, the court temporarily suspended them to investigate the conflict of interest and evaluate its impact on court proceedings.

Lessons learned

- Develop and implement straightforward policies for managing conflicts of interest so that all staff clearly understand the need to disclose any potential conflicts and maintain impartiality in their roles.
- Require staff to formally declare their affiliations and interests to prevent any perceived or real conflicts from affecting their decision-making.
- Balance privacy with disclosure needs by establishing clear guidelines on how staff should declare potential conflicts of interest while respecting their privacy regarding outside activities. Provide support to help staff manage these disclosures in a way that maintains both their privacy and the integrity of their professional roles.
- Manage actual and perceived conflicts of interest by creating policies that include non-financial as well as financial conflicts.
- Set up regular reviews and oversight systems to continually assess potential conflicts of interest and address any issues promptly.
- Communicate policies and procedures clearly and openly to all staff to promote a culture of integrity and accountability within the organisation.
- Offer training on how to identify and manage conflicts of interest to help staff understand their ethical responsibilities and adhere to high standards of conduct.

This product was prepared based on findings from research and stakeholder consultations from IBAC's 2024 Public Sector Strategic Assessment. It is representative and created for educational purposes only. Any resemblance to real persons, organisations, or incidents is purely coincidental.

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