

5 Organizations should:

- Provide clear and realistic description of what circumstances and relations are likely to lead to conflict of interests for those in the organization;
- Ensure staff and managers know what is required of them in relation to identifying and declaring conflict of interest (when, in what situations, how);
- Develop appropriate strategies for managing conflict of interest;
- Develop formal procedures to allow staff and managers to disclose their conflict of interest in transparent manner;
- Delineate clear responsibilities in managing conflict of interest declaration.
- Provide staff and managers training to manage conflict of interest effectively.

6 Individuals should:

- Be aware of potential conflict of interest that may affect them;
- Avoid any obvious conflicts of interests that they may encounter; and
- Promptly identify and disclose any actual, perceived or potential conflict of interest that may affect their performance.

Citizens have a right to expect all public servants to conduct themselves fairly and transparently, and that the decisions they make are not affected by self-interest, private affiliations, or the likelihood of personal gain or loss. Every citizen is equal before law and should receive fair and impartial treatment.

Note: The Advisory has been abridged from OECD, (www.oecd.org/gov/ethics), Transparency International (www.transparency.org) ICAC, NSW (www.icac.nsw.gov.au).

Lets us pledge to

REFRAIN



RESIST



Corruption!

**Declaration of
conflict of interest
is part of the
code of conduct !**



Managing



“Leaders must lead by example!”

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Anti-Corruption Commission
Nation's Conscience

MANAGING

CONFLICT OF

INTEREST

What is a conflict of interest?

Conflict of interest is a situation in which an individual, due to his/her position in an organization, can exploit or take advantage of this position for his/her personal interests or gains. Conflict may arise from a range of factors including personal relationship of social interest groups, ownership of shares, companies or properties. Personal or private interests or gains could be for those members of his/her family or those with whom he/she maintains living arrangements or a relationship approximating a family relationship or close friends. Declaring conflicts of interest is integral to code of conduct. Conflict of interest in itself may not be wrong but failing to disclose and manage it will be. Conflict of interest can be actual, perceived or potential.

An actual conflict of interest exists when there is a direct conflict between a public official's duties and responsibilities and his/her private interest. A simple example would be, a head of a public agency hiring his vehicle or apartment to the agency.

A perceived or an apparent conflict of interest exists when it is perceived or it appears that a public official's private interest could improperly influence the performance or decision of the public official. A simple example would be, a public official taking part in making nominations or selecting staff for training courses or study trips, one of the nominees/candidates being his family member, relative or personal friend.

A potential conflict of interest could arise when a public official's private interest would be in conflict with his/her official duties in the future. A simple example would be, a procurement officer setting up a supply business or a teacher planning to give private tuition.

A negative conflict of interest could arise due to animosity between a public official and his service recipient or between a leader and subordinate or business rivalry. An example would be a leader withholding the promotion of the subordinate who has complained against him.

1 When does conflict of interest arise or occur?

- During self-dealing or decisions where public and private interests collide;
- Even for non-pecuniary interests such as family, personal or other relationship including friendship and enmity;
- In personal relationships between superiors and subordinates and amongst them;
- In outside employment where the interest of one job contradicts the other;
- In giving gifts and advantages to friends and acquaintances who have business relationships or official responsibilities among them; and
- In political affiliation of civil servants serving the government of the day.

2 What are some of the consequences of conflict of interest?

- It diverts resources (logistics, manpower and money) from the real task;
- It destroys morale and reputation of organizations and individuals, undermining public trust;
- It polarizes individuals groups, creates differences, obstructing cooperative action; and
- It decreases efficiency, effectiveness and productivity.

3 Why is managing conflict of interest important?

- It is an important corruption prevention strategy;
- It increases efficiency, transparency and accountability of the system and individuals operating it;
- It fosters public trust and confidence in the integrity of public institutions; and
- It protects public officials from unfair accusations.

4 How can conflict of interest be managed?

Conflict of interest cannot be always avoided or prohibited. Conflict of interest needs to be identified, disclosed and effectively managed. It has to be institutionalized. Conflict of interest is best managed through the following procedural steps:

- Identify the different types of conflicts of interests that arise in the organization;
- Develop appropriate conflict of interest policy, management strategies and responses;
- Educate staff, manager and senior executives and disseminate the policy across the organization;
- Lead the organization through example, especially by the senior management;
- Communicate the organization's commitment to its policy and procedures for managing conflict of interest to all stakeholders, including contractors, clients, sponsors and communities;
- Enforce the policy under the fair competition principles or uniform application; and
- Review the policies regularly and adapt where necessary to keep up with the changing environment and circumstances.



I declare my conflict of interest.