



Conflicts of Interest

Scenario 8

Secondary employment

“Secondary employment can lead to problems with conflicts of interest, or conflict of duties”

“It isn’t wrong or unethical to have a conflict of interest, what is important is that it is identified and appropriately managed”

The Integrity Coordinating Group

The Integrity Coordinating Group (ICG) was formed to promote and strengthen integrity in Western Australian public authorities. ICG members support integrity through their independent roles under their own legislation, and also work collaboratively across the public sector.

Integrity in decision making

Decision makers need to demonstrate integrity by:

- serving the public interest
- using powers responsibly
- acting with honesty and transparency
- addressing improper conduct.

The Integrity in Decision Making guidelines

ICG supports building the capacity of public authorities, and their employees, to demonstrate integrity when making decisions.

These guidelines provide public authorities with information and practical tools about integrity in decision making, which can be used to strengthen and sustain their decision making processes.

Introduction

Almost all functions performed in the public sector can potentially lead to conflict of interest situations. A conflict of interest in itself is not necessarily wrong or unethical, however, identifying and managing the situation is important. Managing conflicts of interest is all about risk management. Identifying at-risk functions in the organisation is the first step to managing the risks conflicts of interest present.

Secondary employment is the term used when officers work for one agency but also undertake paid part-time or casual work for another organisation. It includes operating a business and providing paid consultancy services to another person or organisation¹. Secondary employment can lead to problems with conflicts of interest, or conflict of duties. It is important that the public be confident that government employees always give priority to their public sector duties and do not use government time, resources or information in their work for another organisation.

The conditions under which employees can undertake secondary employment should be clearly established in an organisation's policy. Examples should be included on the types of employment that may or may not be approved and the reasons why. Approval for secondary employment should not be granted if the employment could affect the integrity of the agency or could involve a conflict of interest.

The following scenario illustrates one example of how conflicts of interest may be identified and what strategies may be employed to manage them. The choice of strategies may vary across the sector, and will be dependent on the operating environment, legislative requirements and practical solutions.

Scenario

Abdul is employed as an IT support officer within a State Government department. He has developed significant knowledge and expertise in maintenance of personal computers, largely through on-the-job experience and training. Abdul is very popular with staff and whilst on his rounds trouble-shooting, will chat to colleagues about problems with their home computers.

In his spare time Abdul occasionally assists his friend Mimi with her business restoring and selling second-hand computers. He does not get paid for this maintenance work but is remunerated for every new customer he brings to the business.

How to identify conflicts of interest

Even though Abdul is assisting Mimi's business in his own time, there is potential for conflict of interest between his public duty and his private interests. There are risks for the organisation associated with potential use of government resources, including Abdul's work time in soliciting business, for the benefit of private interests.

How to manage conflicts of interest

As a State Government employee, Abdul is required to seek permission to undertake secondary employment. In granting approval for secondary employment, the efficient performance of an employee's duties and maintenance of the agency's integrity should be central to the decision.

In this case there is a connection between Abdul's role as a public officer and the work he is undertaking in the private business, and hence the risks for the organisation are high. One option is for the organisation to register the secondary employment and in so doing, reinforce Abdul's obligations as a public officer. A second option is for Abdul to relinquish any role in Mimi's business. In the case of ongoing conflict with his private interests, and where no other options are feasible to manage such conflict, Abdul may need to resign from his position in the organisation as IT support officer.

Relevant legislation

- *Public Sector Management Act 1994*²

Codes of Ethics and Conduct

- The Public Sector Commission Western Australian Public Sector Code of Ethics (reprinted December 2010)
- Agency Codes of Conduct

The 6 Ps

Public duty versus private interests

Do I have personal or private interests that may conflict, or be perceived to conflict with my public duty?

Potentialities

Could there be benefits for me now, or in the future, that could cast doubt on my objectivity?

Perception

Remember, perception is important. How will my involvement in the decision/action be viewed by others?

Proportionality

Does my involvement in the decision appear fair and reasonable in all the circumstances?

Presence of mind

What are the consequences if I ignore a conflict of interest?
What if my involvement was questioned publicly?

Promises

Have I made any promises or commitments in relation to the matter? Do I stand to gain or lose from the proposed action/decision?

The 6 Rs

Record/Register

Recording the disclosure of a conflict of interest in a register is an important first step, however this does not necessarily resolve the conflict. It may be necessary to assess the situation and determine whether one or more of the following strategies is also required:

Restrict

It may be appropriate to restrict your involvement in the matter, for example, refrain from taking part in debate about a specific issue, abstain from voting on decisions, and/or restrict access to information relating to the conflict of interest. If this situation occurs frequently, and an ongoing conflict of interest is likely, other options may need to be considered.

Recruit

If it is not practical to restrict your involvement, an independent third party may need to be engaged to participate in, oversee, or review the integrity of the decision-making process.

Remove

Removal from involvement in the matter altogether is the best option when ad hoc or recruitment strategies are not feasible, or appropriate.

Relinquish

Relinquishing the personal or private interests may be a valid strategy for ensuring there is no conflict with your public duty. This may be the relinquishment of shares, or membership of a club or association.

Resign

Resignation may be an option if the conflict of interest cannot be resolved in any other way, particularly where conflicting private interests cannot be relinquished.

Policies and Guidelines

Independent Commission Against Corruption (ICAC) Secondary employment (Prevention Information Topics)

Where can I get more information?

More information is available from ICG website at www.publicsector.wa.gov.au/icg

Where can I seek further advice?

It is important to first discuss the situation with a supervisor or senior colleague. You may also contact:

The Public Sector Commission
Governor Stirling Tower
197 St George's Terrace
PERTH WA 6000
Telephone: (08) 9219 6600
Facsimile: (08) 9219 6001
Email: admin@psc.wa.gov.au
Web: www.publicsector.wa.gov.au

Some other titles in this series

Available at www.publicsector.wa.gov.au/icg:

- Managing procurement processes, tenders and contracts
- Sponsorship from the private sector
- Wearing two hats—dual roles as a public officer
- Getting on Board—representative members on Boards and Committees
- Gifts, benefits and hospitality
- Recruitment, selection and appointment
- Secondary employment

References

¹Independent Commission Against Corruption Secondary employment (Prevention Information Topics)

²Section 102 stipulates that employees are not to engage in paid employment unconnected with their functions, except with the written permission from their employer

Acknowledgements

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Disclaimer

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