

# *Dealing with conflicts of interest*

Last Modified on 05/10/2023 10:41 am NZDT

Conflicts of interest must be [declared](#) and handled appropriately to maintain the assessment committee's integrity and to guarantee that its decision-making is transparent and impartial.

Three types of conflict of interest can arise - direct, indirect, and perceived.

These are explained below, along with the procedures that **must** be followed when these conflicts arise. All members of the committee are responsible for making sure these procedures are followed.

## **Direct conflicts of interest**

A direct conflict of interest can occur if a committee member applies for funding under the Creative Communities Scheme, or is part of a group that applies and stands to benefit financially or materially from a successful application. In this situation the committee member concerned:

- must declare the conflict of interest as soon as he or she becomes aware of it
- must not assess the application
- must not take part in the decision-making process for that application, and
- must leave the room while the committee is assessing the application.

Alternatively, the committee member or the applicant group can withdraw the application.

A direct conflict of interest can also arise when an assessment committee is operated by a third party such as a community arts council, and the third party applies for funding through the Creative Communities Scheme. Third parties **must not** be involved in any part of assessment or decision-making process for their applications.

## **Indirect conflicts of interest**

An indirect conflict of interest can occur when someone other than the committee member applies but the committee member would benefit financially or otherwise if the application were granted. In these situations the committee member:

- must declare the conflict of interest as soon as he or she becomes aware of it
- must not assess the application
- must not take part in the decision-making process for that application, and
- must leave the room while the committee is assessing the application.

Alternatively, the applicant can withdraw the application.

## **Perceived conflicts of interest**

There is potential for a perceived conflict of interest when a CCS application is made by a family member, friend or associate of a committee member, or by an organisation associated with the committee member. Exactly how this should be dealt with will depend on the particular situation and particular relationship, as explained

below.

### Immediate family, and governance or commercial relationships

Committee members must declare a conflict of interest if:

- an application is from an immediate family member, or
- the committee member is involved in the governance of an organisation that has applied, or
- the committee member has a commercial relationship with the applicant.

In these cases, as well as declaring the conflict, the committee member must not assess the application and must leave the room while the committee is assessing it.

An “immediate” family member means a parent, spouse, civil union partner, de facto partner, brother or sister, or child (this includes acknowledged “foster” or “whāngai” siblings or children).

### Other relationships

Perceived conflicts of interest may also arise when there is an application from:

- friends
- relatives that aren’t immediate family, or
- people and organisations with whom the committee member is associated.

In these cases the committee member must declare the conflict, but should use their discretion in deciding whether they should participate in the assessment and decision-making process.

### **Recording conflicts of interest**

All conflicts of interest must be noted at the start of the assessment committee meeting that will be considering the relevant application.

The conflict, and the member’s absence during the relevant discussions, must be recorded in the minutes of the meeting.