



*Improving trust,
promoting value*



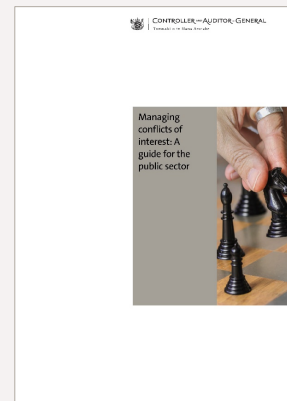
What good looks like

Lessons for public sector organisations

Managing conflicts of interest well



Conflicts of interest can create legal and reputational risk for individuals and public sector organisations, and can impact on trust and confidence in the public sector as a whole.

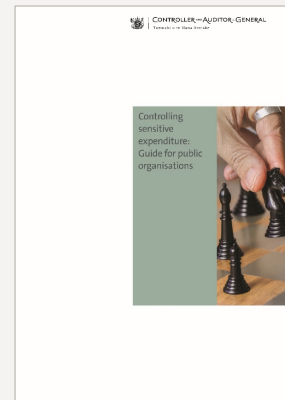


- Badly managed conflicts of interest quickly undermine trust and confidence in your organisation.
- A clear policy and good processes are an important start.
- It's important that there is a good understanding across your whole organisation about how to manage conflicts of interest.
- When a conflict of interest is identified, keep clear written records detailing the conflict and what mitigation steps are agreed.
- Perception is often as important as reality, even more so at senior leadership levels.

Sensitive expenditure needs careful judgement



Sensitive expenditure needs to be carefully managed to avoid the perception that any private benefit to an individual outweighs the business reason for the spending.



- Organisations need to be able to show that sensitive expenditure has a justifiable business purpose.
- Spending always needs to be moderate and conservative – can the same result be achieved for less?
- Tone from the top is important – board members, chief executives and senior leaders need to set the highest standards for what is acceptable sensitive expenditure and what is not.
- Clear policies and processes are essential but good judgement is also important.
- Sensitive expenditure decisions reflect the integrity of your organisation and its leadership.



- Check out Integrity Town at www.oag.parliament.nz.
- As well as our good practice guides, we have also created training material on managing conflicts of interest and sensitive expenditure.
- And watch this space – more to come on other integrity related issues.

Good procurement and decision-making



It's possible to find innovative and fast solutions while maintaining the integrity of government procurement processes.



- Innovation and speed don't obviate the need for good procurement processes. The two are not mutually exclusive.
- Sometimes you need to go slow to go fast. Take time at the beginning to think strategically about what you want to achieve, understand the market and select the best procurement method.
- Document your business case.
- In a genuine emergency, procurement rules are flexible.
- Make sure you record your decision-making as soon as you can.
- Your procurement processes are still subject to audit or review.



Driving performance

Lessons for public sector organisations

Go slow to go fast, trust but verify



Clear strategy, good planning and effective risk management are even more important when you need to move quickly



What can you do?

- Don't let the pressure to deliver prevent you from thinking things through properly. It inevitably ends up working against you – things go wrong, or rework creates additional costs or delays.
- Even if things are uncertain, you need a plan, and you also need plan B.
- Speed creates additional risks – what additional steps will you take to mitigate those risks?

Communication and transparency



This is absolutely critical for public trust and confidence
It's also the most effective tool you have to set realistic expectations



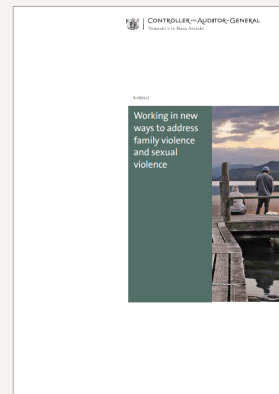
What can you do?

- Plan to do it from the outset – it takes time, resource, and deliberate effort.
- Share the challenge – the public is more likely to accept when things don't go as planned if they understand the scale/complexity of the task.
- Be realistic about what you can achieve.
- Do it consistently, shift the default setting.

Working collectively



What is the expectation you are setting inside your organisation?



What can you do?

If working collectively is really a priority, you need to be prepared to change the way you lead.

Consider:

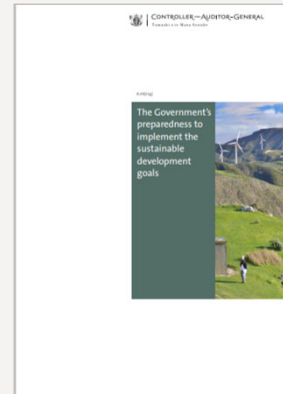
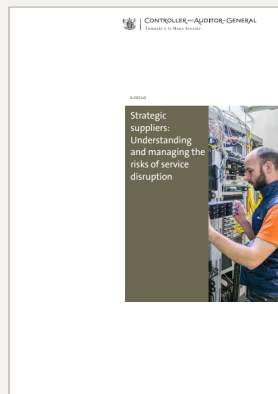
- How does this change the conversation you have with your leadership team?
- What signals are your leadership team sending about what staff should prioritise?
- What will you do differently?

Good quality data and information



It's essential to manage risk and performance

Value it, demand it, prioritise it, invest in it



What can you do?

Consider:

What are the big risks your organisation is trying to manage?

- What do you know about those risks?
- How would you know if those risks are being managed well?
- How do you know you are prepared if things go wrong?

What are the outcomes your organisation is trying to achieve?

- What do you know about how your organisation really contributes to those outcomes?
- How do you know if what you are doing is actually making a difference?
- How do you make decisions about what to change if you don't know what's working?

Good quality data and information requires some up-front design thinking.

You need to plan to collect the right information, which means you need to invest to understand what information you need.

Learn the lessons



Plan to evaluate when you start and hold yourself to account
Establish a culture of review and learning



The context in which you operate is changing rapidly. Things won't always go according to plan.

What can you do?

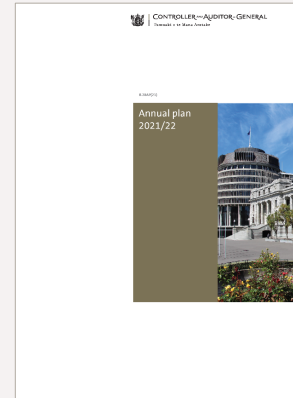
- Adopt a continuous learning mindset.
- Build in time to review and adjust.
- Be transparent about your progress – hold yourself to account.
- Plan to evaluate in a timely way and follow through.

Coming up



Next six months:

- Inquiry into use of Auckland private rentals for emergency housing
- Inquiry into aspects of the Strategic Assets Tourism Programme
- Follow up on our previous audits of the wage subsidy and the Covid-19 vaccination programme
- Looking at how significant investment decisions are made: Shovel Ready Fund, NZ Upgrade Programme, Reprioritisation of the Provincial Growth Fund
- Governance and monitoring: City Rail Link, Crown entity monitoring
- Central response to Covid-19



- Find our full 2021/22 work programme in our annual plan at oag.parliament.nz/2021/

Find our reports and
good practice guidance
at **oag.parliament.nz**