

Department of Premier and Cabinet
IA Project: Conflicts of interest management
August 2025 – Final report

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This report has been provided to Department of Premier and Cabinet to inform the design and management of the conflicts of interest process. This report is for the use of Department of Premier and Cabinet only and the observations and recommendations from this report are provided for consideration only. This information contained in this document is commercial in confidence, and only for Department of Premier and Cabinet. The document and its contents must not be used, disclosed, or redistributed, either in writing or verbally, to anyone other than the intended recipient without consent from WLF Accounting & Advisory.

Our internal audit work was limited to that described in this report. It did not constitute an audit or review in accordance with standards issued by the Auditing and Assurance Standards Board and accordingly no assurance as defined by those standards is provided in this report.



1 Executive summary

Our focus

We undertook a review of the Conflict-of-Interest Framework within the Department of Premier and Cabinet ('Department') and compare against good practice. We focused on:

- Gaining an understanding of the Department's processes for identifying, declaring, recording, managing, monitoring and responding to conflicts of interest;
- Reviewing the Framework against good practice for any gaps or improvement opportunities;
- Assessing the governance arrangements put in place to support the Framework;
- Reviewing the gifts and benefits register to assess the frequency of declarations and the monitoring arrangements in place;
- Reviewing the practical application of the framework within the following high-risk activities; procurement; recruitment; and grants management; and
- Reviewing how the conflicts of interest framework had been applied specifically within Brand Tasmania.

What is currently working well?

- We found the following elements are working well:
- Staff have access to flowcharts and guides on the intranet to support conflict identification and management.
- Grants processes require conflict declarations at multiple stages and SmartyGrants blocks conflicted users from assessments.
- Procurement requires mandatory declarations from both state and non-state participants, with standardised forms and probity advisors for high-risk cases.
- Recruitment processes include early conflict declarations, documented mitigations, and quality assurance checks.
- Brand Tasmania maintains a tailored, aligned conflict of interest framework.

Our key messages



The Executive can be confident that the Department and Brand Tasmania have a solid foundation for managing conflicts of interest and gifts, benefits, and hospitality. Policies, procedures, and tools such as flowcharts support compliance. The high-risk areas reviewed within the Department (procurement, recruitment, and grants) demonstrated strong awareness and proactive conflict management.

The next stages of maturity include **s 35**

Our findings

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Our recommendations

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2 Context, background and scope

2.1 Context and background

The annual audit plan included a comprehensive review of the Department's conflict of interest processes ('the Framework'). This Framework encompasses the Department's policies and procedures, as well as the State Service Code of Conduct.

Currently, the Framework is managed in a decentralised manner, with each business unit responsible for handling conflict of interest and any declarations.

The recording of conflicts of interests varies with the nature of the conflict, these are then maintained in various locations, including:

- Personnel files – for declarations by employees;
- Assessment forms – for declarations by staff completing grant assessments;
- Selection Reports – for declarations within recruitment processes;
- Procurement panel reports – for declarations within procurement processes; and
- Gifts and benefits register – for all staff declarations.

As part of this review, we examined high risk activities where conflicts may arise which include:

- Procurement;
- Recruitment; and
- Grants Management.

We also reviewed how the conflicts of interest framework had been applied specifically within Brand Tasmania.

We note that the pecuniary interest declaration process is reviewed as part of the external audit function (through the Tasmanian Audit Office) and is therefore excluded from the scope of this review.



2.2 Scope

The scope of this review was to perform a review of the Department's Conflict of Interest Framework. Specifically, the scope of this project included:

- Gaining an understanding of the Department's processes for identifying, declaring, recording, managing, monitoring, and responding to conflicts of interest, including:
 - Conflicts of interest generally and in relation to high-risk processes identified in the Framework (recruitment, procurement, and grants);
 - Secondary employment;
 - Voluntary declarations of interests by senior staff / officers; and
 - Acceptance / refusal of gifts and benefits in the course of duties.
- Reviewing the Framework against good practice to identify any gaps or opportunities for improvement;
- Assessing the governance arrangements that were put in place to support the Framework, including:
 - Understanding roles and responsibilities, including ownership of the Framework and any oversight functions;
 - Communication of the Framework across the Department and any training that was provided;
 - Systems and forms that were available to ensure compliance and the expected records to be maintained; and
 - Monitoring and reporting arrangements of governance structures in place, including reporting through the following structures (where relevant); People and Culture; Budget, Establishment and Procurement; Accommodation and Security; and Establishment Management Committee;
- Reviewing the gifts and benefits register to assess the frequency of declarations and the monitoring arrangements in place;
- Reviewing the practical application of the Framework within the following high-risk activities; Procurement; Recruitment; and Grants management;
- Reviewing how the conflicts of interest framework had been applied specifically within Brand Tasmania; and
- Documenting and reporting findings.

Limitations of scope: *As the pecuniary interest declaration process was reviewed annually by the Tasmanian Audit Office as part of the annual external audit of the Department, this process was excluded from our review.*

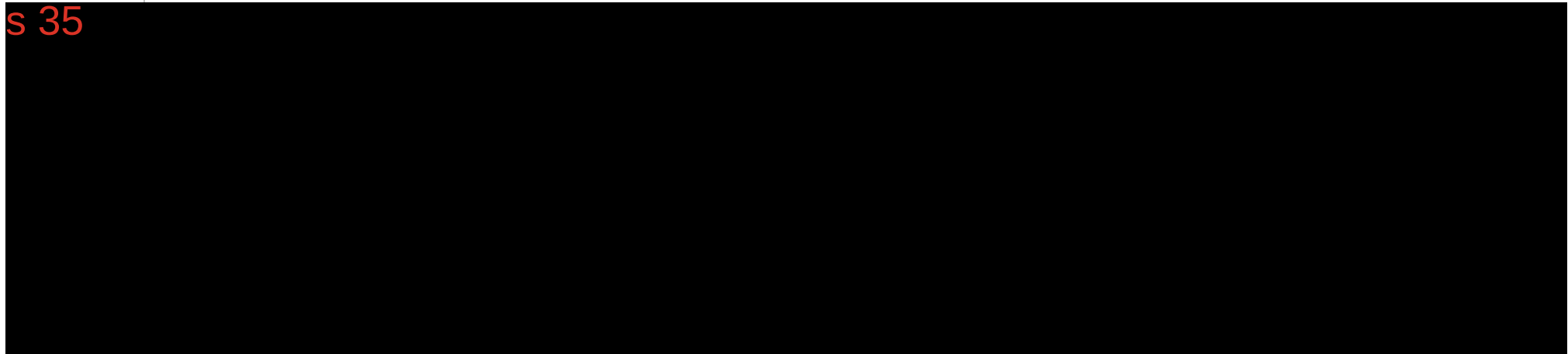


3 Summary of findings

The findings from this project are reported in two sections: risk exposures or internal control issues which require management attention, and future considerations. Future considerations provide your organisation with the opportunity to consider emerging risks within your context or contemporary practice which you may wish to consider. The summary of findings from this report are as follows:

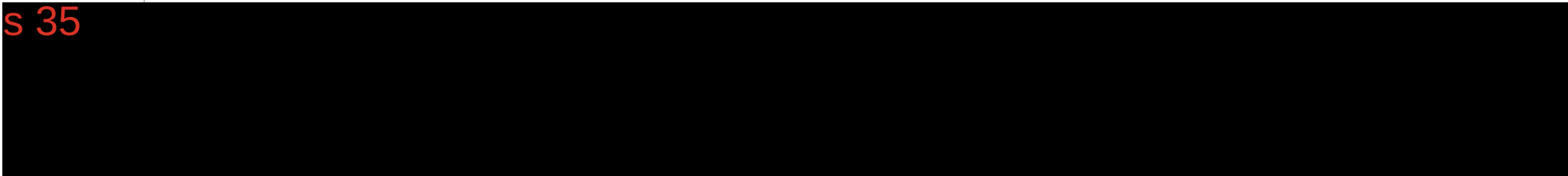
Risk exposures or internal control issues noted

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Future considerations

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3.1 What's working well

The Department has implemented a range of controls to manage conflicts of interest across its individual business areas. The following summarises key areas of good practice identified during our review:

- Senior Executive Service (SES) officers, Heads of Agency, and other key/selected management roles are required to complete annual declarations of interest, which are centrally recorded and reviewed. This control is in addition to the conflicts of interests forms collected when first commencing with the Department.
- Flowcharts and procedural guides are available on the intranet (iPac) to support staff in identifying and managing conflicts, particularly in procurement and recruitment contexts.
- The grants management process enforces conflicts of interest declarations at multiple stages of the assessment process where staff and external assessors must complete standardised declarations before commencing evaluations.
- The grants management system (SmartyGrants) will not let the user process an assessment of a grant application if they have declared a conflict.
- Conflicts of interest declarations are mandatory for both state and non-state participants in procurement processes, with standardised forms available (*Conflicts of Interest Declaration (Non state servant)* and *Conflict of Interest Declaration (State service employees)*), and probity advisors engaged for high-risk or complex procurements.
- The Recruitment team demonstrates a strong awareness of conflicts of interest risks and proactively manage perceived and actual conflicts throughout the recruitment lifecycle.
- Declarations, as well as mitigations, are documented within the *Shortlisting and Conflict of Interest Report*, which is completed prior to any shortlisting occurring and is reviewed by the panel as part of the recruitment process.
- The recruitment team conducts quality assurance checks on the recruitment work undertaken by panels and / or hiring managers and provides guidance to both panel Chairs and hiring managers on appropriate mitigations where required.
- Brand Tasmania maintains a strong conflicts of interest policy framework aligned to the Department's Framework, which has been appropriately tailored to their own operational context.
- Long serving employees have an informal educative role for those new to panels to set out how conflicts are to be identified and managed.



3.2 Key risk exposures

The following table documents the key risk exposures identified during our audit. Risks are rated in accordance with the criteria in the appendices.

Ref	Description of issue	IA risk rating
3.2.1	Gifts, benefits, and hospitality We reviewed the Department's and Brand Tasmania's management of gifts, benefits, and hospitality, including internal polices, declaration processes, and public reporting practices. The Department's and Brand Tasmania's Gifts, Benefits and Hospitality Policies, supported by their respective flowcharts, clearly establish that staff should decline offers of gifts, benefits, or hospitality, in order to avoid real or perceived conflicts of interest. Acceptance of gifts, benefits, and hospitality is only permitted where there is a clear public interest and alignment with official duties. All accepted gifts, benefits, and hospitality must be formally declared using the appropriate form, the <i>Declaration of Official Gift Offer Form</i> for Department staff, or the <i>Acceptance of Gift, Benefit or Hospitality: Declaration Form</i> for Brand Tasmania staff. These declarations must be reviewed and approved in accordance with the respective policies. For the Department, this is the staff member's Director or delegate, with any item valued at \$100 or more requiring approval from the Secretary (or delegate) prior to acceptance. For Brand Tasmania, declarations must be submitted to the Chief Executive Officer or delegate, who must also approve any item valued at \$100 or more before it is accepted. Once approved, the relevant business area is responsible for forwarding the declaration to the Secretary (for the Department), and all approved declarations are recorded in the internal gift registers. Ministerial and Executive Services is responsible for maintaining the register and publishing updates within 14 days of the end of each month on the DPAC website and in the Department's Annual Report. Brand Tasmania follows a similar process, with monthly publication of its register on its website and inclusion in its Annual Report. Staff are not required to declare the gift, benefit or hospitality if they promptly declined the offer and return the gift. § 35 ■ [REDACTED] [REDACTED] ■ [REDACTED] [REDACTED] [REDACTED] ■ [REDACTED] [REDACTED] ■ [REDACTED] [REDACTED] [REDACTED] [REDACTED]	s 35

Ref	Description of issue	IA risk rating
	■ s 35 [REDACTED] [REDACTED] [REDACTED] ■ [REDACTED] [REDACTED] [REDACTED] [REDACTED] Recommendations ■ s 35 [REDACTED] [REDACTED] [REDACTED] ■ [REDACTED] ■ [REDACTED] [REDACTED] Management actions & responsibility ■ s 35 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] ■ [REDACTED] [REDACTED] [REDACTED] ■ [REDACTED] [REDACTED] [REDACTED]	



Ref	Description of issue	IA risk rating
	█ s 35 █ █ █ █ █	



3.3 Opportunities to enhance your organisation

We have provided detailed feedback to the Department about opportunities to enhance the conflicts of interest management process. The following table documents another opportunity to enhance your organisation that we have identified in the course of our audit.

Ref	Description of issue	Opportunities for enhancement
3.3.1	s 35 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] - i [REDACTED] [REDACTED] [REDACTED] [REDACTED] - i [REDACTED] [REDACTED] [REDACTED] [REDACTED] - i [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	s 35 [REDACTED] [REDACTED] [REDACTED] [REDACTED]



4 Appendices

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4.1 Overview of current conflicts of interest management processes

4.1.1 Department of Premier and Cabinet



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4.1.2 Brand Tasmania



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4.2 Gap analysis (good practice review)

As part of our review, we have undertaken a comprehensive review of the Department's *Managing Conflicts of Interest Policy* and *Declaration of Interests Policy* as well as Brand Tasmania's *Managing Conflicts of Interest Policy*. As Brand Tasmania develop their policies based on the Department's framework, unless otherwise stated, the points in the table below apply to both organisations. The objective of this review is to assess the alignment of the current policy with best practices as outlined in the National Audit Office's *Good Practice Guide on Managing Conflicts of Interest*, published in November 2024.

IDENTIFY	Good practice controls	Controls in place	Any identified gaps	Rating
	- Provide training and guidance to help staff recognise potential conflicts of interest. - Implement processes to ensure that declarations are accurate and comprehensive. - Establish procedures to identify conflicts at specific activity levels within the organisation. - Ensure that relevant personnel have appropriate access to declarations for monitoring and management purposes.	- The <i>Managing Conflicts of Interest Policy</i> includes clear definitions for actual, perceived and potential conflicts. These are in line with the good practice definitions. - Risk areas and scenarios are provided in the policy to demonstrate how to apply the Policy in practice. Separate conflicts of interest process are outlined in these sections to assist in identifying and managing conflicts across multiple activity levels. - Staff are responsible for being aware of the obligation to avoid conflicts of interest where possible, and to disclose and manage conflicts of interest that cannot be avoided. - Staff are responsible for self-assessment and encouraged to seek advice if unsure about potential conflicts. - A flowchart is provided in the appendices of the policy to help staff identify, manage and review conflicts. - The Policy includes processes to ensure that all conflicts declared are independently reviewed, assisting in the accuracy and comprehensiveness of the declaration and mitigations. - All recruitment panel members to complete a conflict of interest declaration before shortlisting begins via the <i>Shortlisting and Conflict of Interest Report</i>. The panel must re-do this process if a new panel member is added mid-process. - Conflicts of interest is included within the <i>Procurement Review Committee Guidelines</i> and the process to identify these. <i>DPAC Grants Management Process Step by Step Guide</i>, <i>Grants Management Assessment Guide</i> and, <i>Grants Assessment Panel Terms of Reference</i> all reference conflicts of interest and the process to identify these.		

[illegible]

	Good practice controls	Controls in place	Any identified gaps	Rating
MANAGE	- Develop processes to assess conflicts, document mitigation strategies, and review their effectiveness. - Collect and analyse data on conflicts of interest to inform decision-making and policy adjustments. - Establish clear consequences for non-compliance with conflict-of-interest policies. - Regularly audit conflict of interest processes and outcomes to ensure effectiveness and compliance.	- Management strategies outlined in the <i>Managing Conflicts of Interest Policy</i> (e.g., restrict, remove, third-party oversight). - The <i>Conflict-of-Interest Declaration Form</i> and <i>Board Membership Form</i> templates included in the <i>Managing Conflicts of Interest Policy</i> require documentation of the conflict, mitigations and any ongoing monitoring. - The ‘responsible person’ (defined as the staff member’s Director or delegate in the Department, and the Chief Executive Officer or delegate in Brand Tasmania) is responsible for receiving declarations of conflicts of interest from staff, approving proposed management strategies for disclosed conflicts of interest, and reviewing the management strategies as required. - Whilst there are no specific enforcement mechanisms or consequences for non-compliance within the <i>Managing Conflicts of Interest Policy</i>. Employee adherence is covered by the <i>State Service Code of Conduct</i> which in section 9 (subsection 8) states that “an employee must disclose, and take reasonable steps to avoid, any conflict of interest in connection with the employee’s State Service employment.” Breaches in the <i>State Service Code of Conduct</i> result in one of the following, counselling; a reprimand; deductions from salary by way of fine; reduction in salary within the range of salary applicable to the employee; reassignment of duties; reduction in classification; or termination of employment. Both the Department and Brand Tasmania reference the <i>State Service Code of Conduct</i> and relevant legislation. - The Recruitment team with Human Resources provides a quality assurance review of all reports prior to appointment approval. - Conflicts of interest is a standing item on the Procurement Review Committee agenda ensuring that should any conflicts arise during the evaluation process, the conflicted panel member is removed from discussion. - Where any conflicts of interest arise in the grants evaluation process, the panel will document the conflict, discussion and mitigations in the minutes. Where needed, independent assessors and / or external panel members are utilised.	s 35 s 35	s 35

REVIEW	Good practice controls	Controls in place	Any identified gaps	Rating
	- Engage Risk and Audit Committees in overseeing conflict of interest management and in reviewing related policies and procedures. - Assign a specific person or role with the responsibility for managing conflicts of interest within the organisation. - Ensure that senior executives are accountable for the integrity of conflict of interest management systems.	- The Secretary (Department) / Chief Executive Officer (Brand Tasmania) is responsible for policy review every 3 years as per the <i>Managing Conflicts of Interest Policy</i>. - Responsible persons (e.g., Directors, Chief Executive Officer or delegate) oversee conflict management. These senior staff are also the ones accountable for the integrity and application of conflict-of-interest management systems. Their responsibilities include reviewing declarations, approving management strategies, monitoring implementation, and promoting a culture of transparency and ethical conduct. Based on our discussions, it appears the Directors and Managers are aware of their duties and promote ethical conduct in practice, - Ministerial and Executive Services (Department) / Chief Executive Officer (Brand Tasmania) are the policy owners and accountable for the conflict of interest frameworks. - Each identified officer within the Department (Senior Executive Staff, Head of Agencies and other key/selected management roles) is required to complete an annual declaration of interests as per the <i>Declaration of Interests Policy</i> are responsible for their own integrity. Whilst Brand Tasmania does not have a requirement for an annual declaration of interests, there is a standing agenda item for both the Board and Audit, Finance and Risk Committee. - For grants, procurement and recruitment, all declarations are recorded, including management strategies, which is approved / reviewed by the relevant area. Oversight functions occur via the use of probity advisors (procurement), panels (all areas), the Recruitment team and the Community Grants and Programs team.	s 35	s 35

PUBLIC DISCLOSURE	Good practice controls	Controls in place	Any identified gaps	Rating
		- Consider publishing certain declarations or summaries to maintain public trust and demonstrate accountability. - Implement structures that support transparency, such as oversight committees and clear reporting lines.	Internal reporting lines defined only to responsible persons.	§ 35 § 35

4.3 Our approach

To complete this review, we completed the following:

- Conducted a desktop review of relevant documents, including policies, procedures, registers, codes of conduct, terms of reference, and forms;
- Researched good practice models for managing conflicts of interest in a government setting and compared those arrangements to those of the Department;
- Documented significant processes and related controls at a high level for the key areas noted in the scope;
- Identified and assessed significant risks within the process;
- Selected high-risk activities where conflicts of interest were raised and walked through the systems and processes in the following areas:
 - Properties and Procurement;
 - Recruitment; and
 - Grants Management;
- Conducted interviews with the managers of each of the selected areas to assess the extent and application of the Framework's implementation;
- Selected gifts and benefits that had been declared and reviewed them against the requirements of the policy to ensure compliance; and
- Documented and reported findings.



4.4 Risk rating criteria

Each finding has been rated according to the residual risk and impact on the operations of your organisation.

Risk rating	Organisational impact
 HIGH	Critical control deficiency or significant compliance exception(s) which warrants immediate attention by management. A high risk of financial loss, impairment of operations or misrepresentation of financial or operational results. Issue that could have, or is having, a major adverse effect on the ability to achieve organisational / process objectives.
 MEDIUM	Gap in procedures and controls in place to mitigate key risks or compliance exception(s) which require improvement to ensure effectiveness of established controls. Deficiencies should be corrected promptly to ensure the internal control system is functioning adequately. Issue that could have, or is having, a significant adverse effect on the ability to achieve organisational / process objectives.
 LOW	While compliance exceptions may exist, they are not considered critical. Deficiencies do not warrant management's immediate attention but should be addressed as time and resources permit. Issue that could have, or is having, a minor but reportable impact on the ability to achieve organisational / process objectives.



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