Conflict of Interest Policy and Process

Management Consultants Association NZ

1. Purpose

The Management Consultants Association NZ recognises that professional consultants must be able to provide objective and professionally considered advice. Conflicts of interest can arise in many forms and do not necessarily mean that a consultant cannot undertake an engagement.

This Policy establishes a consistent process for identifying, disclosing, assessing and managing conflicts, and for allowing concerns about potential conflicts to be raised and considered.

It supports the objectivity and professional judgement standard established in the Association's Code of Conduct and Ethics.

2. What is a Conflict of Interest?

A conflict of interest exists where a consultant's personal, financial, professional, business or other interests could affect, or could reasonably be perceived to affect, their professional judgement or ability to act objectively.

A conflict may be actual, potential or perceived. All three forms should be considered seriously.

3. Internal Consultants and Organisational Interests

Employment by an organisation, or a professional responsibility to an employer, does not by itself constitute a conflict of interest. An internal consultant may appropriately support their employer's legitimate objectives while providing objective professional advice.

For an internal consultant, a conflict arises where an interest beyond the legitimate context of their employment could improperly influence, or reasonably appear to influence, their professional judgement. The consultant should also be transparent where their organisational role or delegated authority places legitimate limits on the advice they can provide.

4. Common Examples

- providing advice to clients with competing interests;
- having a financial interest in an organisation about which the consultant is advising;
- a close personal or family relationship with someone involved in a relevant decision;
- receiving a commission or referral fee;
- having previously advised an opposing party;
- using confidential information obtained from another client or employer;
- undertaking competing assignments;
- recommending a product, service or supplier from which the consultant benefits; or
- an interest arising from another role held by the consultant.

This list is illustrative rather than exhaustive.

5. Member Responsibilities

Members should consider conflicts before accepting an engagement, when circumstances change, when taking on additional work, and whenever a reasonable person might question their objectivity.

1. identify the issue;
2. assess its significance;
3. disclose it to the relevant party;
4. discuss appropriate management arrangements;
5. record the disclosure and agreed arrangements; and
6. review the arrangement if circumstances change.

6. Managing a Conflict

Depending on the circumstances, management measures may include disclosure, obtaining informed agreement to continue, changing the consultant's role or responsibilities, independent review, information barriers, exclusion from particular decisions, independent advice, or declining or withdrawing from the engagement.

Disclosure alone does not automatically make a conflict acceptable. Where a conflict cannot be adequately managed, the member should decline or withdraw from the engagement.

7. Right to Question a Conflict

A client, employer, member, stakeholder or other affected person may raise a concern about a potential conflict. The person raising the concern does not need to prove that a conflict exists.

They should provide enough information to explain the circumstances giving rise to the concern, the interest or relationship involved, why they believe it could affect or appear to affect professional judgement, and any information they believe should be considered.

8. Initial Consideration

The member should consider the concern promptly and objectively. The member should acknowledge the concern, determine whether a conflict exists or may reasonably be perceived to exist, disclose relevant information subject to confidentiality obligations, explain how the matter is being managed, and seek independent advice where appropriate.

The member should not dismiss a concern simply because they personally believe they can remain impartial.

9. Association Review

Where the matter cannot be resolved between the affected parties, it may be referred to the Association. The Association may seek information, seek independent professional advice, determine whether the matter falls within this Policy, and consider whether proposed management arrangements are reasonable.

The Association's role is to assess the professional conflict. It does not act as a substitute for a court, regulator or contractual dispute-resolution process.

10. Confidentiality and Records

Information relating to a conflict should be treated confidentially and shared only with people who have a legitimate need to know, subject to applicable obligations.

Material conflicts should be recorded, including the nature of the conflict, whether it is actual, potential or perceived, who was informed, the management arrangements agreed, any conditions imposed, and the date of subsequent review.

11. When a Conflict Becomes a Conduct Matter

A conflict may become a professional-conduct matter where, for example, a member deliberately fails to disclose a material conflict, provides misleading information about a conflict, continues an engagement after being required to withdraw, improperly uses confidential information, allows a conflict to materially compromise professional advice, or fails to comply with agreed conflict-management arrangements.

Where such circumstances arise, the matter may be referred under the Association's Professional Conduct and Complaints Procedure.

12. Relationship with the Code and Complaints Procedure

The Code of Conduct and Ethics establishes the member's obligation to exercise objective professional judgement. This Policy establishes the process for identifying and managing conflicts. The Professional Conduct and Complaints Procedure applies where an alleged failure to meet those obligations becomes a formal conduct matter.

October 2026