

Conflict of Interest Scenarios

Certificate of Fitness Service Delivery

To help you understand your obligations around conflict of interest, we've put together some guiding principles and some examples of situations you may find yourself in, together with some high-level guidance about what you need to do to in these situations.

You should not treat these examples as definitive – each situation will depend on its own circumstances. If in doubt, you should contact the Transport Agency for guidance.

GUIDING PRINCIPLES

Financial Interest

Under the terms of your Notice of Appointment, you cannot inspect a vehicle if you have a 'financial interest' in the operation of that vehicle. The only exception to this is a vehicle that you are primarily using for the purpose of delivering inspection and certification services.

Other Conflicts of Interest

The terms of your Notice of Appointment require you to avoid situations that may lead to conflicts of interest. However, you must also show, in your quality management systems, how you will manage any conflicts. The most common situations are likely to be where friends and family are involved.

EXAMPLE SCENARIOS

Mark runs a garage in Havelock North that's a WoF IO that also hires out trailers. Rather than taking the trailers for a WoF inspection at one of their competitors, they'd like to do the WoF inspections themselves

One of Mark's vehicle inspectors can do the WoF inspection, but they need to record in their QMS that there is a conflict. Each time a trailer gets a WoF, they should record the date, the registration plates of the trailer and the name of the VI who completed the inspection.

To further reduce any possible risk, each time a trailer is returned from hire the mechanic carries out a brief safety inspection prior to making the trailer available for hire again.

Paul runs a garage in Waipawa. He's the IO and VI and has another VI working for him. Mark would like to be able to do the WoF inspection on his own family car and his daughter's car.

Paul should get his VI to complete the WoF inspection and note in their QMS that there is a potential conflict of interest and this is how they have decided to reduce any risk. He should also note the date the inspection was completed and the registration plates of the vehicles inspected.

Shane runs the local garage in Eketahuna. Rather than having to take his personal vehicles 30 minutes to the nearest garage, he'd like to do the WoF inspection on his and his family's vehicles.

Shane should record the conflict of interest in his QMS. Each time he carries out an inspection on one of his family's vehicles he should note the details in the QMS including the time and date of the inspection and the vehicle's registration plate.

Simon is an IO who owns a motor vehicle dealership which has a workshop attached. Due to the time and cost savings he would prefer to WoF the vehicles they have for sale rather than taking them elsewhere.

Simon should record in his QMS that there is a conflict of interest due to the fact that they are inspecting vehicles they intend on selling.

When a vehicle is inspected, a note should be made on the check sheet that the vehicle inspected is for sale.

Derek runs the local garage in Hari Hari – Hari Hari Service & Repair Ltd. His company is already a WoF Inspection organisation. He decides to become a COF inspecting organisation. His brother-in-law Brian owns the local trucking fleet – Smith Transport.

If Derek intends to inspect Brian's trucks, while his relationship to Brian may not necessarily be construed as an actual conflict of interest (he has no obvious financial interest in the operation of the vehicle), there may still be a potential or perceived conflict.

Derek should detail how he will manage this within his Quality Management System.

Derek runs the local garage in Hari Hari – Hari Hari Service & Repair Ltd. His company is already a WoF Inspection organisation. He decides to become a COF inspecting organisation. His brother Jim owns the local trucking fleet – O'Grady Transport.

This situation is the same as 1) above; that is, if Derek intends to inspect Jim's trucks, he must detail how he will manage this potential/perceived conflict of interest within his Quality Management System.

Derek runs the local garage in Hari Hari – Hari Hari Service & Repair Ltd. His company has been providing WoF and CoF inspection services for some time in accordance with the Transport Agency's new service delivery model. Brian owns the local trucking fleet – Smith Transport. Brian marries Derek's sister, Georgina.

This situation is the same as 1) above; that is, if Derek intends to inspect Brian's trucks, Derek must detail how he will manage this potential/perceived conflict of interest within his Quality Management System.

Derek runs the local garage in Hari Hari – Hari Hari Service & Repair Ltd. His company has been providing WoF and CoF inspection services for some time in accordance with the Transport Agency's new service delivery model. His wife, Mary, owns the local trucking fleet – Mary Transport.

Derek has a clear financial interest in the operation of his wife's trucking fleet. Under the terms of his NOA, Derek cannot provide CoF inspection services for these vehicles.

Derek runs the local garage in Hari Hari – Hari Hari Service & Repair Ltd. His company has been providing WoF and CoF inspection services for some time in accordance with the Transport Agency’s new service delivery model. He wants to continue to carry out WoFs on his daughter and son’s cars.

If Derek intends to inspect his children’s cars, while his relationship to them may not necessarily be construed as an actual conflict of interest (he has no obvious financial interest in the operation of the vehicles), there may still be a potential or perceived conflict.

Derek should detail how he will manage this within his Quality Management System.

If the location in scenarios 1 - 5 changes to ‘central Auckland’, does the position change?

No – the location of the garage is irrelevant in deciding whether there is a conflict of interest. It may, however, be taken into account in deciding how best to manage any conflict.

Josephine is the CEO of a National service provider dealing in Heavy Commercial Vehicles that is also involved in the purchasing and selling of new and used Heavy vehicles. Josephine’s company would like to become an Inspecting Organisation in its own right and continue to be involved in the sales arena.

While Josephine does not have a financial interest in the operation of the vehicles, this situation could be seen as a potential or perceived conflict. Josephine should detail how she will manage this within her Quality Management System.
