Factor 1
Accountants & Advisers

Conflict of Interest
PLAYBOOK

Purpose/Why: This playbook is designed to protect the professional integrity of our firm and the individual registration of our practitioners by providing clear, practical guidance on recognizing and managing conflicts of interest.

As registered tax practitioners, we are subject to the Tax Practitioners Board (TPB) Code of Professional Conduct, which includes strict obligations to avoid or properly manage conflicts.

Failure to do so can—and has—resulted in the suspension or cancellation of tax agent registration. Our aim is to ensure no team member finds themselves in a position where their conduct or judgment is compromised, or where the firm is exposed to legal, ethical, or reputational risk.

Scope: All team members, managers, directors, and contractors providing services to clients across all service areas: tax, accounting, bookkeeping, advisory, and consulting.

Definitions:

- Conflict of Interest: A situation where competing for obligations, loyalties, or personal interests could impair a team member's ability to act in a client's best interests. It can be:
    - *Actual:* The conflict is happening now
    - *Potential:* A conflict could reasonably arise in the future
    - *Perceived:* A situation that might appear to an outsider as biased or conflicted

- Disengagement: The formal process of ending services to one or more parties to resolve or avoid a conflict

- TPB: Tax Practitioners Board – the regulatory body for tax agents and BAS agents in Australian Policy Guidelines: (provide clear instructions or recommendations on how the policy should be interpreted, implemented, or followed)

Policy Guidelines

1. Key Principle

If the advice we provide benefits one party while disadvantaging another — that's a conflict of interest.

Even if both parties are currently cooperative or say they're comfortable with the arrangement, the situation becomes high-risk the moment circumstances shift. Conflict usually surfaces when disputes, relationship breakdowns, or financial issues arise — not before.
We must not wait for a complaint to act.

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2. Examples of Conflict Scenarios

These are common, high-risk situations where conflict of interest must be assumed unless clearly proven otherwise:

◆ Employer vs Employee
If we represent both the employer and employee in any form (e.g., payroll services for the employer and tax returns for the employee), we risk being seen as favouring one party — especially in termination, dispute, or underpayment scenarios.

◆ Franchisor vs Franchisee
Where we act for the master franchise group and also for an individual franchisee. A practitioner recently lost their tax agent license for failing to manage this exact scenario. The TPB found they had clearly acted in the franchisor's interest, to the detriment of the franchisee.

◆ Divorced or Divorcing Clients
When a couple separates, we must not continue to act for both individuals, even for basic tax or accounting services. What begins as "amicable" often shifts quickly — and we may be seen as taking sides.

◆ Spouses or Couples in Conflict
Even if the couple is not legally separated, if a breakdown or dispute is evident, do not proceed as if the interests are aligned.

◆ Business Partners in Dispute
Where we've acted for multiple directors or shareholders and a disagreement arises (e.g., over ownership, decision-making, or money). Even previously neutral advice can become grounds for conflict.

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3. Your Responsibilities

Every team member must:

- Be vigilant in identifying conflicts early — even before an engagement starts
- Cease any work where a conflict is known or suspected
- Escalate the issue to your Team Leader, Director, or Practice Manager
- Never act for both parties in a conflict without documented informed consent (rare and only after

Director approval)
- Prioritise disengagement over convenience — even if it means losing a client
  A policy is only effective if it's followed before a problem arises. Our default response is to protect client interests and avoid risk — not to try to manage conflict after the fact.

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4. Conflict Management Procedure

If you identify a conflict:

1. Stop work immediately
2. Notify your Manager or Director
3. Assess whether the conflict is actual, potential, or perceived
4. Escalate if you're unsure — do not try to resolve it alone
5. Disengage from one or both parties if needed
6. Document the decision and rationale in the client

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