



CONFLICT OF INTEREST POLICY

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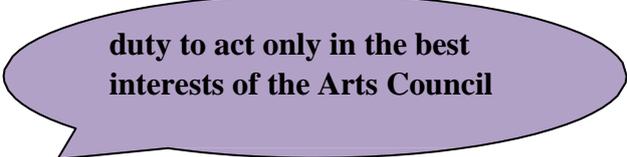
This policy is a controlled document and is held centrally by the Director of Finance and Corporate Services.

Document Amendment History

Version Number	Date created/reviewed	Description	Reason for change
1.0	Jan 2011	Approved by Board	
2.0	April 2014	Draft to senior management	Audit recommendation
2.0	28 April 2014	NIPSA agreed to note	
3.0	30 Nov 2018	Reviewed by Management	Audit recommendation
3.0	26 June 2019	Approved by Board	

Introduction

Conflicts of interest can lead to decisions that are not in the best interests of the Arts Council and which are invalid or open to challenge. Conflicts of interest can also damage the Arts Council's reputation or public trust and confidence generally. These harmful effects can be prevented where Board members, council advisors and staff can identify conflicts of interest, and the Arts Council can act to prevent them from affecting decision making. All Board members, Council advisors and staff have a **duty to act only in the best interests of the Arts Council** and discharge their duties in a manner that is seen to be honest, fair and unbiased. This policy is to assist Board members, Council advisors and staff recognise situations where conflicts may arise, and the management and recording of conflicts of interest.



duty to act only in the best interests of the Arts Council

The main aim of the policy is to promote high standards in public life and especially to follow the key characteristics of propriety as defined in the 'Seven Principles of Public Life' known as the Nolan Principles. These seven principles underpinning public life are: Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty; and Leadership.

The purposes of this policy are to protect the integrity of the Organisation's decision-making process, to enable our stakeholders to have confidence in our integrity, and to protect the integrity and reputation of our Board Members, Council advisors and Staff. The Arts Council is committed to preventing situations in which reasonable suspicion of bias might be aroused in the minds of the public or any section of the public.

Board members, Council advisors and staff must at all times:

- Observe the highest standard of impartiality, integrity and objectivity in relation to stewardship of public funds.
- In accordance with Government policy on openness comply with all reasonable requests for information from the Assembly, Parliament, users of services, individual citizens and the media, where appropriate.
- Ensure maximum value for money through ensuring that services are delivered in the most efficient and economical way, within available resources

The Arts Council is responsible for providing stakeholders including the public, with as full information as may be requested concerning its policy decisions and actions.

Board members, Council advisors and staff should ensure that they can demonstrate that they are using resources to good effect with probity, and that public funds are not being used for private partisan or party political purposes.

It is inevitable that conflicts of interest may occur. The mere existence of a conflict of interest does not imply wrongdoing. However, when conflicts of interest do arise they must be recognised, disclosed and either eliminated or properly managed. The issue is not the integrity of the person concerned, but the identification and management of any potential or perceived conflict. Even the appearance of a conflict of interest can damage the Council's reputation, so conflicts need to be managed properly.

What this policy covers



Recognising a Conflict of Interest

Definitions:

A conflict of interest is any situation in which Board members, Council advisors or staff have a personal interest, or interests which may (or may appear to) influence or affect their decision making.

The NIAO define a conflict of interest as:

“A conflict of interest involves a conflict between the public duty and the private interest of a public official in which the official’s private-capacity interest could improperly influence the performance of his/her official duties and responsibilities.”

(NIAO, Conflicts of Interest – A Good Practice Guide, Page 6, para 2.1 refers).

A conflict of interest can be real, perceived or potential.

A perceived conflict of interest exists where it could be perceived, or appears, that private capacity interests could improperly influence the performance of a Board Member’s, Council advisor’s or Staff member’s official duties and responsibilities. A perception of a conflict of interest can be just as significant as an actual conflict of interest. The key issue is whether there is a risk that a fair-minded outside observer, acting reasonably, would conclude that there is a real possibility of bias.

A potential conflict of interest is a situation which could develop into an actual or perceived conflict of interest.

Do you think you have an actual, perceived or potential conflict of interest?

The following questions may help you recognise a conflict of interest.



Would I or anyone associated with me benefit from, or be detrimentally affected by, my proposed decision or action?



Could there be benefits for me in the future that could cast doubt on my objectivity?



Do I have a current or previous personal, professional or financial relationship or association of any significance with an interested party?



Would my reputation or that of a relative, friend or associate stand to be enhanced or damaged because of the proposed decision or action?



Do I or a relative, friend or associate stand to gain or lose financially in some covert or unexpected way?



Do I hold any personal or professional views or biases that may lead others to reasonably conclude that I am not an appropriate person to deal with the matter?



Have I contributed in a private capacity in any way to the matter my organisation is dealing with?



Have I made any promises or commitments in relation to the matter?



Have I received a substantial gift, benefit or hospitality from someone who stands to gain or lose from my proposed decision or action?



Am I a member of an association, club or professional organisation or do I have particular ties and affiliations with organisations or individuals who stand to gain or lose by my proposed decision or action?



Could this situation have an influence on any future employment opportunities outside my current official duties?



Could there be any other benefits or factors that could cast doubt on my objectivity?

5 Managing Conflicts of Interest in the Public Sector- toolkit, Independent Commission Against Corruption and Crime and Misconduct Commission (Queensland), Sydney and Brisbane, 2004

Examples of Conflicts of Interest:

- Having a direct financial gain or benefit to the individual, a relative or close friend.
- Having a financial or other personal interest in the (i) evaluation or award of a grant or (ii) evaluation and award of a procurement competition.
- Having a close personal relationship with any current or potential supplier or grant client
- Being an employee/member of a third party organisation supplying a service to an organisation in receipt of Arts Council funding

Further examples are in Appendix 4

The above list and Appendix 4 is a non-exhaustive list of examples – if in doubt:

Chairman – seek advice from the Chair of the Audit and Risk Committee or Director of Finance and Corporate Services.

Board Member – seek **advice** from the Chairman of the Board, Chair of the Audit and Risk Committee or Director of Finance and Corporate Services.

Council advisor – seek **advice** from the Director of Operations or Director of Finance and Corporate Services

Staff member - seek **advice** from your Line manager, Director of Finance and Corporate Services or the Chair of the Audit and Risk Committee.

Date when a conflict arises

The date a conflict arises and ends depends on the nature of the conflict and judgement may have to be exercised. For example, a conflict of interest with a client could arise:

- On appointment to the Arts Council (an existing conflict)
- When the person or organisation become a client of the arts Council
- When the event that causes the conflict arises (e.g. on appointment to the client's Board).

Other examples include:

Application for employment - conflict arises when the application form is submitted.

An individual supplying goods or services to a party where a conflict of interest exists – conflict arises on the submission of quotation or tender

The above list is a non-exhaustive list of examples. If in doubt seek advice as set out in the preceding paragraph (above). It is important to promptly notify the Arts Council and record the conflict of interest to avoid the perception that a conflict has not been declared. Notification can be done by writing to the Executive Assistant to the Board (or email info@artscouncil-ni.org). The proforma (Appendix 2) can be completed and appended to the original declaration.

It is Arts Council policy that a conflict of interest shall remain in force for 12 months after the actual conflict ceases.

Managing conflicts of interest

Having identified a conflict of interest, Board Members, Council advisors or Staff members must act only in the best interests of the Arts Council. This means that they must consider the issue of the conflict of interest so that any potential effect on decision making is eliminated. How they prevent the conflict from affecting decision making will depend on the circumstances. This section of the policy explains that:

- individual Board Members, Council advisors or Staff members should always declare any conflicts of interest which affect them
- any failure to knowingly declare an actual conflict of interest is a serious issue of misconduct.
- affected Board Members, Council advisors or Staff members should not participate in any decisions where they stand to gain, whether directly, or indirectly through a connected person
- irrespective of the approach Board Members, Council advisors or Staff members take to prevent a conflict of interest from affecting their decision making, they should be able to demonstrate that their decision was made only in the best interests of the Arts Council.

The following steps describe how trustees can prevent a conflict of interest from affecting their decision making.

Declare conflicts of interest: Each Board Members, Council advisors or Staff members **duty is to act only in the best interests of the Arts Council**. This means in practice that an individual Board Member, Council advisor or Staff member who fails to declare any conflicts of interest will fail to comply with their duties.

Declaring conflicts of interest *is primarily the responsibility* of the affected Board Member, Council advisor or Staff member.

Options to manage Conflicts of Interest

Restrict
Restrictions are placed on the Board Member's, Council advisor's or Staff member's involvement in the matter Suitable when the Board Member, Council advisor or Staff member can be separated from parts of the activity or process and/or the conflict of interest is infrequent.
Recruit
Appoint a third party or external party to oversee all or part of the process dealing with the matter Suitable when internal resource is not appropriate
Remove
The Board Member, Council advisor or Staff member remove themselves from the item under discussion. Suitable when recruitment of third party or external member is not appropriate.
Relinquish
The Board Member, Council advisor or Staff member relinquishes the interest that creates a conflict of interest. Suitable when the Board Member, Council advisor or Staff member commitment to the Arts Council outweighs their attachment to the private interest.
Resign
Where the Board Member, Council advisor or Staff member resigns their position Suitable when no other options are workable or where personal principle is applied.

Conduct at Board meetings:

Conflicts of Interest is a standard agenda item at the beginning of each Board meeting to declare any actual or potential conflicts of interest.

Removal: the Board member, Council advisors or staff who has declared the conflict of interest will normally remove themselves from the part of the meeting at which there is discussion of any arrangement or decision affecting the other organisation or person where there is a conflict of interest.

Vote: The person who has the conflict of interest does not normally vote on any such matter and is not to be counted when considering whether a quorum was present at the meeting when the vote occurred.

However in preventing a conflict of interest from affecting decision making; it is important that managing conflicts of interest does not prevent decision making altogether. For example:

Case 1: The meeting becomes inquorate when an individual (or individuals) absent themselves from the discussion and/or the vote. Decisions cannot be validly transacted at the meeting if the meeting becomes inquorate.

Case 2: All individuals at the meeting consider they have a conflict of interest and absent themselves.

In exceptional circumstances, and following careful consideration, the Board can agree that the individual(s) do not remove themselves from the discussion or vote. In such cases it is important that Board members are impartial and professional in the execution of their duties. It is recommended that the basis of the decision not to remove the individual from the discussion or vote is recorded in the minute of the meeting.

Record: The minute or note of the meeting should record the conflict of interest and action taken (normally recording the person withdrawing from the meeting).

Grants manual: This policy is supplementary to any guidance on conflicts of Interest in the Grants manual.

Advice and guidance, if needed, are available from the Corporate Services Department.

Serious conflicts of interest

Where there is a serious conflict of interest the Board member, Council advisor or staff may have to relinquish the circumstance creating the conflict of interest or resign. There are situations where the Board member, Council advisor or staff are unable to make decisions in the **best interests of the Arts Council** or could be seen to be unable to do so. The following are examples and are not exhaustive:

- Recruitment: where a Board member was applying for a job vacancy at the Arts Council they would be expected to resign their Board position consistent with Board Standing Order 22.
- Senior position: If a remunerated Board member holds a senior position in a major funded client, they would be expected to relinquish the position or resign as an ACNI Board member. Examples of senior position would be the CEO or Chair.
- Extensive conflicts. Extensive conflicts can adversely affect ACNI's reputation where the conflicts of interest become too acute or extensive that individual Board members regularly withdraw from discussions. When a Board member withdraws from the discussion the meeting may no longer be quorate and the ability to make decisions is compromised by lack of a quorum.

Recording and Publishing conflicts of interest

- (i) Disclosure: Board members, Council advisors and staff are required to make a full, written disclosure of interests, such as relationships, and posts held, that could potentially result in a conflict of interest.
- (ii) Register: This written disclosure will be kept on file and will be updated annually or as appropriate.

Board members, Council advisors and staff are required to disclose any financial or other interest in or any personal or family relationship which might reasonably be supposed to influence their judgement or which might affect their ability to appear impartial on matters which they are concerned or likely to be concerned in their capacity as Board member, Council advisor or staff of the Arts Council.

Board members, Council advisors and staff are required to register their interests:

1. on appointment (Appendix 1), and,
2. thereafter at the beginning of each financial year (Appendix 1), and,
3. during the year as new interests arise, and,
4. at the end of the financial year (the declaration of interest form is confirmed).

Where there are no interests to declare, this should also be indicated. Throughout the year, new interests should be submitted in writing to the Executive Assistant to the Board as soon as they arise and the proforma (Appendix 2) completed and appended to the original declaration. The Executive Assistant to the Board should also be informed in writing when a previously declared interest ceases. The Arts Council will also seek confirmation of previously submitted conflicts of interest at the end of the financial year. The declaration shall remain in force for a period of one year in order to preserve the spirit of openness and impartiality.

A register of interests made by Board members, Council advisors and staff will be maintained and monitored by the Arts Council (Appendix 3). The register will be published on the Council's website and made available for inspection on request at the Council's offices during normal office hours. It may be the subject of requests under the Freedom of Information Act 2000.

The Audit and Risk Committee of the Board will review conflict of interest forms annually.

Conflict of Interest returns will inform the related party note in the Annual Accounts.

Other Guidance

Conflicts of Interest A Good Practice Guide NIAO March 2015



Arts Council of Northern Ireland

Declaration of Interests

In order to achieve the maximum degree of openness and impartiality, the Arts Council maintains a register of interests of Board members, Council advisors and staff.

Members and staff are required to register their interests on appointment, as and when any new interests arise, confirmed at the end of the financial year and the cycle starts again at the beginning of the next financial year. Where there are no interests to declare, this should also be indicated. The Arts Council should also be informed in writing throughout the year when previously declared interests cease.

All additional information will be appended to your original declaration. The declaration shall remain in force for a period of one year in order to preserve the spirit of openness and impartiality.

Please declare memberships, employment etc, of organisations receiving financial assistance from the Arts Council taking account of those preceding your appointment as Board member, Council advisor or staff of the Arts Council. You should also declare any commercial or business interests you may have with the Council.

It is the responsibility of individual Board members, Council advisors and staff to ensure that the information held by the Arts Council is accurate, comprehensive and up to date.

Please complete sections 1 to 6 of this form and return to the Chief Executive’s Office or Executive Assistant to the Board.

1	Membership of, or employment in, a board of trustees, council, management committee or other governing body of any organisation receiving financial assistance from the Arts Council of Northern Ireland (or intending to seek financial assistance from the Council):		
Description of Interest		Date: (if appropriate)	
		Start Date	End Date

Ownership of land or property, financial stake or shareholding in any such organisation:		
Description of Interest		Date: (if appropriate)
		Start Date End Date

Close family or close personal connection with an individual involved (either as a member of the management or as an employee) in any such organisation:		
Description of Interest	Dates (if appropriate)	
	Start Date	End Date

4 Any other interests which might reasonably be supposed to influence your judgement, or which might affect your ability to appear impartial, on matters with which you are likely to be concerned in your capacity as a member of staff:		
Description of Interest	Dates (if appropriate)	
	Start Date	End Date

Any commercial or business interests which either you, or anyone with a close personal connection to you, currently has, or may have, with the Arts Council of Northern Ireland:		
Description of Interest	Dates (if appropriate)	
	Start Date	End Date

All former interests ceased within the past year (including finish date)		
Description of Interest	Date: (if appropriate)	
	Start Date	End Date

SIGNED NAME: _____

DATE: _____

PRINTED NAME: _____



Arts Council of Northern Ireland

Declaration of Interests - Additional Information

In order to achieve the maximum degree of openness and impartiality, the Arts Council maintains a register of interests of Board members, Council advisors and staff.

Members and staff are required to register their interests on appointment, as and when any new interests arise, confirmed at the end of the financial year and the cycle starts again at the beginning of the next financial year. Where there are no interests to declare, this should also be indicated. The Arts Council should also be informed in writing throughout the year when previously declared interests cease.

All additional information will be appended to your original declaration. The declaration shall remain in force for a period of one year in order to preserve the spirit of openness and impartiality.

It is the responsibility of individual Board members, Council advisors and staff to ensure that the information held by the Arts Council is accurate, comprehensive and up to date.

Please provide additional information below and return to the Chief Executive’s Office or Executive Assistant to the Board.

Description of Interest	Date: (if appropriate)	
	Start Date	End Date

SIGNED NAME: _____

DATE: _____

PRINTED NAME: _____

Appendix 4- Examples

Scenario	Action
Board Member, Council advisor or Staff member (s)....	
is member of a board of a small charity in the arts, creative industries or cultural sector.	Disclose- as the charity would likely be eligible to apply for ACNI funding
is member of a board of a local charity not connected with the arts or creative industries E.g. a sports club, local church, community group etc.	Disclose as we fund local community development associations, schools, and community groups under small grants.
undertakes freelance work as a contractor.	Disclose
partner works for an organisation receiving ACNI funding.	Disclose
holds shares in a small company that supplies services that ACNI uses or may use in the future	Disclose- a conflict could be created if the small business receives a significant contract from ACNI, or submits a tender for future services.
holds shares in a telecoms company that is traded on the London Stock Exchange, and the company provides telecoms to ACNI.	Would not normally require disclosure as it is unlikely any business between such a company and ACNI would be significant enough to influence the behaviour of an employee or that company.
previously worked in an organisation that receives funding from ACNI.	Disclose- a conflict could arise if the Board Member, Council advisor or Staff member subsequently works on grant applications or assessments involving their old employer. As a general rule the conflict remains for 12 months after employment although the conflict could last longer (for example if the Board Member, Council advisor or Staff member remained in contact with the old employer).

Policy Signed on behalf of the Arts Council NI:

Name: _____

Date: _____

Signed on behalf of NIPSA:

Name: _____

Date: _____