



Denmark Arts Council Conflict of Interest Policy

Background

The management of conflicts of interest is critical to the maintenance of organisational integrity and good governance. The implementation of a clear policy on the identification, assessment and management of conflicts of interest demonstrates to members, funders, stakeholders and the general public that Denmark Arts Council operates in a manner that is fair, transparent, honest, and free of bias.

This policy establishes a framework by which Denmark Arts Council will manage conflicts of interest in a way that ensures decisions and actions are made free of partiality thereby reducing the risk of inappropriate conduct, protecting staff from allegations of bias, and maintaining the reputation of the organisation.

Definitions

Conflict of Interest

A conflict of interest can be defined as

A situation where an employee has private interests that potentially conflict with the duty to perform work-related functions in an objective and impartial manner.

Conflicts of interest are a normal part of working life, and the existence of a conflict does not indicate wrongdoing. What is important is that conflicts are recognised, assessed and managed.

Types of Conflict of Interest

Conflicts of interest can be categorised in a variety of ways depending on the nature of the conflict and the viewpoint of the observer:

Actual conflicts — where an employee has a personal interest that is in conflict with a current work duty or decision;

Potential conflicts — where an employee has a personal interest that is not in conflict with any current work duties, but it is possible that a conflict could arise at some future point;

Recognised conflicts — where a conflict has been declared and a management plan has been agreed and is in place;

Perceived conflicts - where a third party believes that an employee has or may have a personal interest that is in conflict with that employee's work duties. Regardless of whether a perceived conflict is based on fact, unsubstantiated opinion or some point between these, it will need to be assessed.

Financial conflicts — where the conflict relates to the conferring or receipt of financial advantage or disadvantage;

Partiality conflicts — where the conflict arises from factors such as friendships or associations, religious beliefs or cultural values.

Regardless of the category to which a conflict of interest is assigned, it must be managed in accordance with this policy.

Scope

This policy applies to all:

- Denmark Arts Council staff and volunteers;
- Members of Denmark Arts Council committees, panels, and working groups
- Contractors engaged to perform functions on behalf of Denmark Arts Council.

Note: The management of conflict of interest on the part of Board members is governed by sections 42 and 43 of the *Associations Incorporation Act 2015*. A separate policy regarding conflicts of interest involving Board members sets out the specific procedures required to comply with the Act.

Policy

All employees and others within the scope of this policy are required to declare any situation in which their role with Denmark Arts Council is, or could be perceived to be, in conflict with a personal interest.

All declarations of interest are to be recorded in a *Register of Interests* to be maintained by the General Manager.

Each such declaration will be assessed to determine whether the matter reported falls within the definition contained in section 2 of this policy. If the matter is deemed to constitute a conflict of interest, a conflict of interest management plan must be agreed with the individual concerned, recorded in writing, and signed by the employee and an authorised delegate of Denmark Arts Council.

Failure to comply with the provisions of a conflict of interest management plan may result in disciplinary action.

This policy must be drawn to the attention of all staff, volunteers, and relevant contractors, who should provide a declaration that they have read and understood the policy and agree to declare any conflict of interest that may arise from their involvement with Denmark Arts Council.

Procedures

Disclosing Conflicts of Interest

Declarations of interest should be made to the General Manager. The General Manager will be responsible for ensuring that the declaration is entered into the Register of Interests, and that an appropriate management strategy is agreed and documented.

In the event that a third party considers that an employee has a conflict of interest which they have not declared, the matter should be referred to the General Manager for review and resolution.

Examples of Conflicts of Interest

The following are examples of situations where a conflict of interest is likely to exist:

- A person has an association with another organisation whose activities are or may be in competition or conflict with the activities or values of Denmark Arts Council

- A person (or his/her immediate family or their business interests) stand to gain or suffer detriment financially from any dealings, programs or services delivered by Denmark Arts Council;
- Where a person stands to gain personally or professionally from knowledge acquired in the course of their role with Denmark Arts Council.

Assessing Conflicts of Interest

In deciding whether a conflict exists, the following points should be considered:

- Is there a private interest that might conflict with the person's duties or roles?
- Could the person be the recipient of present or future benefits or detriments that might cast doubt on their independence, objectivity or integrity?
- Does the situation involve members of family, friends, or organisations with which the person is associated?
- How might the person's involvement in decisions or processes be viewed by others within or outside the organisation?
- Is the person's involvement in the issue fair and reasonable?
- Has the person made any commitments in relation to the matter?
- Does the person have strong views that could be seen to bias his/her approach?

A positive answer to any of these questions indicates that a conflict of interest exists and a management plan is required.

Managing Conflicts of interest

Identification of a conflict of interest is only a starting point. Once identified, it is essential that the conflict is appropriately managed. A number of potential conflict management strategies can be considered. These are commonly designated the '6 Rs':

Register — making a formal record demonstrating that the conflict has been recognised. There may be occasions where this is the only action required.

Restrict — limiting involvement in the matter concerned, such as not taking part in discussions, abstaining from voting, and limiting access to information.

Recruit — bringing in an independent third party to oversee the integrity and probity of the processes involved.

Remove — ensuring that the conflicted individual takes no part at all in the matter.

Relinquish — eliminating the private interest, such as membership of an organisation or ownership of shares.

Resignation — if conflict is so pervasive that none of the preceding options are considered effective, the only solution may be for the individual concerned to terminate their involvement with the organisation.

1. Responsibilities

Staff, volunteers and relevant contractors are responsible for declaring any conflicts of interest to the General Manager

The General Manager is responsible for ensuring that declarations of interest are assessed and registered and for the oversight of the operation of this policy.

The Board of Governance is responsible for the development and periodic revision of this policy.

Related Documents

Documents related to this policy include:

- Denmark Arts Council Code of Conduct;
- Conflict of interest Policy – Board Members;
- Register of Interests;
- Gift Register.

Revision

This policy will be reviewed every 12 months.