

**Conflict of Interest Policy**

**Purpose**

The purpose of this policy is to protect the integrity of ETO's decision-making process, enabling funders, partners and the wider public to have confidence in ETO’s integrity, and to protect the integrity and reputation of its trustees and staff.

**Policy Statement**

All trustees and staff of ETO will strive to avoid any conflict between the interests of ETO on the one hand, and their own personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as perceived conflicts of interest.

**Definitions**

Conflict of Interest - A conflict of interest is any situation in which a trustee or member of staff’s personal interests or loyalties could (or could be seen to) prevent them from making a decision only in the best interests of the charity.

Member of staff – Anyone employed by ETO under a contract of employment. (This does not include – for example - associates such as performing/creative artists, production/technical team members and animateurs/workshop leaders, who are engaged by ETO on a freelance basis.)

Middle Managers – ETO’s Head of Marketing, Head of Development & Communications, Head of Production and Head of Finance

Senior Managers – ETO’s Artistic Director and Executive Director

Relationship - A “relative” for the purposes of this policy may be a child, parent, grandchild, grandparent, brother, sister, spouse or civil partner of a trustee or member of staff or any person living with a trustee or member of staff as his or her partner

Trustee – A member of ETO’s Board (its voluntary governing body).

**Responsibility**

Overall responsibility for this policy and its implementation lies with the Board of Trustees who charge the Executive Director with its implementation. The Executive Director will present it to the Board for review annually, with any recommendations for changes/refinements that he/she feels advisable.

**Review**

This policy is reviewed regularly and updated as required.

Adopted on:26th January 2016 Last reviewed:.25th January 2017

To be reviewed: 27th November 2019



**Conflicts of Interest - Board**

Examples of conflicts of interest include:

1 A trustee who is related to a member of staff who may therefore be “conflicted” when decisions on staff pay and/or conditions are put to the Board.

2 A trustee who is also on the Board of another organisation that is competing for the same funding.

3 A trustee who has shares in a business that may be awarded a contract to do work or provide services for ETO, or is a trustee, partner or employee in such a business or related to someone who is\*\*.

Upon appointment each trustee will make a full, written disclosure of interests (such as relationships, and posts held) that could potentially result in a conflict of interest with ETO. This written disclosure will be kept on file and will be updated at least annually through submission of Related Party forms in the course of ETO’s annual audit.

In the course of Board Meetings or other ETO-related activity, trustees will disclose any interests in a transaction or decision where there may be a conflict between ETO’s best interests and the trustee’s best interests. Where there is any doubt, the potential conflict must be declared and clarification sought.

In the case of a conflict of interests arising for a trustee because of a duty of loyalty owed to another organisation or person - where the conflict is not authorised by virtue of any other provision in ETO’s Memorandum & Articles of Association, the unconflicted trustees may authorise such a conflict of interests where the following conditions apply:

1. The Charity Commission’s permission is sought before a benefit for a trustee may be authorised that isn’t otherwise authorised in the Memorandum & Articles or already authorised in writing from the Commission;
2. The trustee who has declared the conflict of interest withdraws from any part of a Board Meeting at which there is discussion of any arrangement or transaction affecting the other organisation(s) or person(s);
3. The trustee who has the conflict of interest does not vote on any such matter and is not to be counted when considering whether a quorum of trustees is present at the Meeting;
4. The other trustees who have no conflict of interest in this matter consider it is in the interests of the charity to authorise the conflict of interest in the circumstances applying;
5. Any such disclosure and the subsequent actions taken will be noted in the minutes.

For all other potential conflicts of interest the advice of the Charity Commission will be sought and the advice recorded in the minutes. All steps taken to follow the advice will be recorded.

**Conflicts of Interest – Members of Staff**

Examples of conflicts of interest include:

1 A member of staff who is related to another member of staff and involved in decisions that concern his/her pay and/or conditions.

2 A member of staff who is also on the Board of (or has some other formal association with) one or more other organisation(s) running similar activity or competing for the same funding.

3 A member of staff who is related to a person or organisation who may be awarded a contract to do work or provide services for ETO or is a trustee, partner or employee of such a person/organisation or related to someone who is.

4 A member of staff who undertakes artistic assignments for ETO for which they manage the budget (this may be in addition to a salaried role they hold with the company).

5 A member of staff who engages a freelance associate to whom he/she is related to fulfill an assignment for ETO.

Upon appointment to senior and middle management roles, each member of staff will make a full, written disclosure of interests, such as relationships, and other current posts held that could potentially result in a conflict of interest. This written disclosure will be kept on file and updated as appropriate - at least annually, through the Related Party forms completed by senior and middle managers in the course of ETO’s annual audit.

In planning, managing and evaluating ETO activity, members of staff will disclose any interests in a transaction or decision where there may be a conflict between a) ETO’s best interests and the member of staff’s best interests or b) a conflict between the best interests of ETO and any other organisation or person to which or to whom the member of staff is related.

Where such a conflict is identified by the member of staff concerned – or if he/she foresees that such a conflict may arise – he/she must raise this first with his/her line manager who will then refer it to the Executive Director & Artistic Director. (The Executive Director will refer any such conflicts regarding his/her own interests or relationships to the Artistic Director.) Where there is any doubt, the potential conflict must be declared and clarification sought.

Where it is established that a conflict exists, as far as possible, the member of staff concerned will abstain from all associated decisions. However, the Artistic Director (where potential conflicts arise relating to all other staff) or the Board (where potential conflicts arise in relation to the Artistic Director) may authorise the conflict of interest in the circumstances applying where such abstention a) is impracticable (for example where the member of staff concerned has unique competence in any associated decision-making) or b) it is found to be in the best interests of the company to do so.

Where an ETO Member of staff is in receipt of fees for an assignment which he/she commissions and/or for which he/she holds the budget, the level of such fees shall be authorised by the Board (in the case of the Artistic Director) or the Executive Director (in the case of the Associate Artist (L&P)) and disclosed in the Annual Accounts.

Where an ETO Member of staff engages a freelance professional to whom he/she is related to fulfill an assignment for ETO, the total of all associated payments will be disclosed in the Annual Accounts.

This policy is meant to supplement good judgment, and staff, freelance associates, volunteers and trustees should respect its spirit as well as its wording.