

Conflicts of Interest Policy for NICS Pension Board

April 2016

Conflicts of Interest Policy

1. The scheme manager must be satisfied that any person (to be) appointed to the Pension Board does not have a conflict of interest, which, where it relates to a person, is defined as:

A financial or other interest which is likely to prejudice the person's exercise of functions as a member of the [Pension Board] (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).

2. It is the responsibility of (proposed) Pension Board appointees to provide the scheme manager with information that is reasonably required to confirm that there are no conflicts of interest.
3. For this policy and procedure to work effectively the members of the Pension Board must agree to:
 - acknowledge any potential conflicts of interest they may have;
 - be open with each other on any potential conflicts of interest;
 - adopt practical solutions; and
 - plan ahead and agree on how they will manage any potential conflicts which arise.

Conflicts of Interest Procedure

4. To support these objectives the following three stage procedure will be adopted :

Identify

- a. A register of interests, recording those interests which could give rise to a conflict of interest for the Chair and members of the Pension Board, will be maintained by the Secretariat.

Monitor

- b. The Chair and each member of the Pension Board will sign an annual return confirming that the information contained in the register of interests is correct.
- c. Individuals should report any potential conflicts to the Chair and Secretariat if these arise during the year. The register will then be updated and circulated by the Secretariat when any changes occur.
- d. The Chair should report potential conflicts of interest directly to the Scheme Manager or via the Secretariat.

Manage

- e. Individuals should liaise with the Secretariat and the Chair to help identify any potential conflicts of interest. The Chair (or Scheme Manager in respect of the

Chair) will then decide on any action that may be required and will update other members of the Pension Board.

- f. The Secretariat will record the nature and extent of the conflict of interest, an outline of any discussions undertaken and the actions taken to manage the conflict.

Conflicts of Interest Process

5. Any member of the Pension Board who feels that they, another Pension Board member, or other invited attendee of a meeting has a potential conflict of interest on a particular subject, must advise the Secretariat and Chair - prior to the meeting where possible. Alternatively they may raise this at the start of the meeting (conflict of interest will be a standing agenda item).
 - a. If a potential conflict of interest is identified outside a Pension Board meeting the Chair should decide on the action required and inform members of the Pension Board of any actions taken.
 - b. If the potential conflict is identified at a Pension Board meeting, the Chair should consult with the other members of the Board before making a decision. Actions may include asking the individual to leave the meeting whilst the issue is discussed, or, if the issue relates to a member of the Board, asking them to withdraw from voting on the matter. The final decision on the appropriate action rests with the Chair.
 - c. The Secretariat will record the nature and extent of the conflict of interest, an outline of the discussion and the actions taken to manage the conflict in the meeting minutes.
6. Any actions as a result of a potential conflict of interest materialising will be designed to ensure, and demonstrate, that the individual's NICS Pension Board and non-NICS Pension Board activities do not amount to an unmanageable conflict, even where an individual has openly declared their interest.
7. Where a member of the Pension Board has a potential conflict of interest which becomes an actual conflict of interest incompatible with membership of the Pension Board, the member of the Pension Board in question will be in contravention of the Public Service Pension Act (NI) 2014 and will therefore need to resign their position on the Board.

Conflicts of Interest Scenarios

8. It is recognised that members of the Pension Board may have dual interests and responsibilities. For example, a finance officer appointed to the Pension Board can offer their knowledge and make substantial contributions to the operational effectiveness of the scheme, but they may, from time to time, be required to take or scrutinise a decision which may be, or appear to be, in opposition to another interest or responsibility.
 - They may be required to take or scrutinise a decision which involves the use of departmental resources to improve scheme administration, whilst at the same time being tasked, by virtue of their employment, with reducing departmental

spending. A finance officer may not be prevented from being a member of the Pension Board, but the scheme manager must be satisfied that his/her dual interests and responsibilities would not prejudice the member in the exercise of any particular function;

- an individual is in a position to influence policy or administration strategy development where that individual, or any organisation or body with links to that individual, wishes to bid for contracts that flow from the policy or administration development;
 - an individual is involved in the decision to award a contract to another organisation that that individual has an interest in, in financial, market or other terms;
 - an individual who is involved in a decision that financially benefits that individual's spouse, partner or close family member;
 - making decisions that could potentially impact upon the interests of a fellow member of the Pension Board;
 - the management of confidential or commercially sensitive information divulged in the course of Pension Board activities.
9. There are also some relationships which would, though not amounting to a conflict of interest, should ideally be kept fully in the open to avoid any suggestion that they might involve partiality on anyone's part. For example:
- a member of the Pension Board sits on the Board of, or carries out work for, another organisation in the Civil Service or pension administration sector;
 - a family member of someone on the Pension Board is a serving or retired Civil Servant and a beneficiary of the Scheme.

This does not in any way imply that these situations are improper, or amount to a conflict. Rather, there might be presentational issues to manage arising from a perceived conflict of interest which it would be helpful for the Chair to be aware of.

Appointments

10. Conflicts of interest will be tested as part of the application process for future Board appointments.
- a. The information must be provided by the applicant;
 - b. Actual conflicts of interest incompatible with membership of the Board are prohibited by the Public Service Pensions Act (NI) 2014; they cannot be managed and if identified would preclude appointment to the Board.

Register of Interests

11. The purpose of the Register is to provide information to the Pension Board Chair and Secretariat about the relevant interests of the Pension Board. These are personal or business interests that might influence their judgement, deliberation or action as members of the Pension Board, or which might be perceived by a reasonable member of the public as doing so.
 - a. Members must consider whether they need to disclose personal involvement with people or organisations which members of the public might reasonably think could influence their judgement;
 - b. Where there is uncertainty about whether a particular interest should be declared, advice should be sought from the Chair and/or Secretariat;
 - c. It is each member's responsibility to inform the Chair and Secretariat of any relevant changes as they occur and to register their interests. In addition, the Register will be formally reviewed annually;
 - d. Where there is a complaint about a failure to disclose a relevant interest, the complaint will be referred to the Chair and/or Secretariat.

CONFLICTS OF INTEREST QUESTIONNAIRE

NORTHERN IRELAND CIVIL SERVICE PENSION BOARD (NICSPB)

Explanatory Note: The Public Service Pensions Act (NI) 2014, Section 5(5) requires that the Scheme Manager be satisfied that any person appointed to the Pension Board does not have a conflict of interest, which is defined as a “financial or other interest which is likely to prejudice the person’s exercise of functions as a member of the board, but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme”.

This questionnaire has been designed to help potential Board members and the Department of Finance (formerly known as the Department of Finance and Personnel) ensure that the conflict of interest requirement in the Public Service Pensions Act (NI) 2014 is fulfilled.

Conflict of Interest questionnaire for all candidates applying to be appointed to the Northern Ireland Civil Service Pension Board

1. Name of candidate:
2. Are you currently in receipt of a Civil Service Pension: YES / NO
3. If you are currently in paid employment, what is your job title and the name of the organisation you work for:

If your answer to one or more of question numbers 4, 6 and 8 below is YES, the appointing authority may conclude you have a potential conflict of interest for the purposes of this role.

4. Do you believe that your duties in the paid employment in question 3 above create a potential conflict of interest for you? YES / NO
5. If your answer to 4 above was YES, what are your grounds for believing this:

6. A conflict of interest could arise if a member of your immediate family¹ was employed in the pensions or related industries, such as the life insurance industry. Does such a situation exist in your immediate family? YES / NO. If so, do you believe that this creates a potential conflict of interest for you? YES / NO

7. If your answer to question 6 above was YES, what are your grounds for believing this:

8. You or your immediate family may have personal investments in the shares of pension providers or life assurance providers. Does such a situation exist for you? YES / NO. If so, do you believe that this creates a potential conflict of interest for you? YES / NO

9. If your answer to question 8 above was YES, what are your grounds for believing this?

10. Do you have any other commitments, connections or responsibilities which could be reasonably perceived to be relevant to the role for which you have applied? If so, please specify them below, and be aware that they may be published in a public Register of Interests of Board member:

Thank you for completing this questionnaire

¹ "immediate family" is defined in this questionnaire as a partner or spouse with whom you have regular contact.

NICS Pension Scheme Pension Board (NICSPB) Register of Interests

Name	Position	Date advised of interest	Interest disclosed	Nature of potential conflict and estimated value (if known)	Action taken / recommendations	Date implemented	Review / comments