

1. For the purposes of the Board, a 'conflict of interest' is defined in section 5(5) of the Public Service Pension Act 2013 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 other connected scheme).'
2. A conflict may arise when a member of the Board must fulfil their legal duty to assist the administering authority and at the same time they have a separate personal interest (financial or otherwise), or another responsibility in relation to that matter.
3. The administering authority will satisfy itself that Board members do not have an actual conflict of interest prior to appointment and from time to time thereafter. There is a duty on a proposed Board member/appointed Board member to provide the administering authority with such information as the administering authority reasonably requires to satisfy itself that such person has no conflicts of interest.
4. The administering authority as part of the recruitment process will require applicants to disclose any dual interests or responsibilities which could become conflicts of interest before they are appointed. Thereafter they will monitor whether Board members have potential conflicts at each Board meeting. There is also a requirement on Board members to inform the administering authority of any potential conflicts of interest as and when they arise.
5. The Board will cultivate a culture of openness and transparency and ensure that its members have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest.
6. Some examples of potential conflicts would include:
  - A finance officer appointed as a Board member 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. For example they may be required as a Board member 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 member representative who works in the administering authority's internal audit department may be required as part of their work to audit the Fund. For example, the employee may become aware of confidential breaches of law by the Fund which have not yet been brought to the Board's attention.
  - An employer representative from the private sector may also have a conflict of interest as a decision-maker in their own workplace. For example, if an employer representative is drawn from a company to which the administering authority has outsourced its pension administration service and the Board are reviewing the standards provided by it.

7. To manage a conflict of interest the Board will seek advice from an officer of the administering authority, the administering authority's monitoring officer or alternatively seek professional legal advice. The Board need to be confident that such advice is independent and any potential or actual conflicts are disclosed by the officer/adviser. Any concerns will be reported to the administering authority. Options for managing an actual conflict of interest include:
- A member withdrawing from the discussion and any decision-making process;
  - The Board establishing a sub-board to review the issue; or
  - A member resigning from the Board if the conflict is so fundamental that it cannot be managed in any other way.
8. Decisions regarding any identified conflicts of interest will be recorded in the Board's register of interests. The Register of interests will be circulated to the Board for ongoing review and published on the Fund's website. The Board will keep the conflicts policy under regular review.