

# **CONFLICTS OF INTEREST POLICY**

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# 1. INTRODUCTION

As set out in their respective Codes of Conduct, NILGOSC staff and Committee members are expected to adhere to the seven principles of public life, known as the Nolan principles which apply to all in public service. They are Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty; and Leadership.

*The principle of Integrity requires that Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.*

NILGOSC staff and Committee members must therefore discharge their duties in a manner that is seen to be honest, fair and unbiased. NILGOSC must therefore ensure that conflicts of interest are identified and managed in a way that safeguards the integrity of staff and Committee members and maximises public confidence in decisions and in the organisation's ability to deliver public services properly.

This policy covers the four main stages to work through in relation to conflicts of interest:

- **Identifying** a conflict of interest – actual, potential or perceived;
- **Declaring** conflicts of interest;
- **Managing** conflicts of interest; and
- **Publishing** registers of interest.

In developing this policy, NILGOSC has taken into consideration best practice as set out in the following:

- DAO (DoF) 07/21 - Guidance on Conflicts of Interest
- Northern Ireland Audit Office (NIAO) : Conflicts of Interest - A Good Practice Guide
- The Pensions Regulator Code of Practice 14 for Public Service Pension Schemes
- Audit & Risk Assurance Committee Handbook
- Code of Conduct for Board Members of Public Bodies

## 2. IDENTIFYING CONFLICTS OF INTEREST/TYPES OF CONFLICT

**KEY PRINCIPLE: IT IS IMPORTANT THAT CONFLICTS OF INTEREST (INCLUDING POTENTIAL/PERCEIVED CONFLICTS) ARE IDENTIFIED AT THE EARLIEST OPPORTUNITY.**

### **Actual Conflict of Interest**

The Northern Ireland Audit Office (NIAO) published a good practice guide on Conflicts of Interest in March 2015. In this, an actual conflict of interest is defined as *"At its most basic, a conflict of interest arises when an individual has two different interests that overlap"*. The NIAO Guide further states that *"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"*.

Specifically in relation to the role of pension board members (Committee members) the Public Service Pensions Act (NI) 2014 defines a conflict of interest as *'a financial or other interest which is likely to prejudice a 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)'*.

Actual conflicts of interest are prohibited by the 2014 Act and cannot, therefore be managed. Only potential conflicts of interest can be managed.<sup>1</sup>

### **Potential or Perceived Conflicts of Interest**

As well as being actual, conflicts of interest can also be potential or perceived. A perceived conflict of interest exists where it could be perceived, or appears, that private-capacity interests could improperly influence the performance of a staff or Committee member's official duties and responsibilities. It may pose no actual risk to the conduct of public business, but it requires proper management in order to minimise the risk of reputational damage both to the organisation and the individual(s) concerned. The appearance of a conflict of interest, in terms of public perception, can be every bit as damaging as an actual conflict and both should be avoided. However, it is important to note that actual conflicts of interest are prohibited whilst potential/perceived conflicts can be managed (see section 4).

<sup>1</sup> TPR Code of Practice no.14: Governance and administration of public service pension schemes, *Public Service Pensions Act (NI) 2014 s.5(a) and the Local Government Pension Scheme Regulations (NI) 2014 s.118*

## Identifying Conflicts of Interest

In identifying whether a conflict of interest (actual or perceived) exists, there are different issues to consider including:

- the actual situation or circumstances which may give rise to different types of conflict;
- the nature of the relationship i.e. who could benefit;
- the nature and business of your organisation in general; and
- your position within the organisation including the nature of what you work on.

In order to identify and subsequently avoid real conflicts of interest – or the perception of such – individuals must carefully consider whether an allegation of impropriety could be made against them, their family or friends and/or their organisation.

### Situations/circumstances

Examples of different situations/circumstances where conflicts of interest can arise within the public sector include:

- Direct financial gain or benefit to the individual, a relative or close friend – a conflict of interest can occur when an individual has the opportunity to use their position for personal financial gain.
- Using information gained in public capacity to further private interests.
- Membership of organisations/associations/clubs/trade unions.
- Involvement in, or influencing, the award of a contract where the individual has, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure process.
- Accepting gifts, hospitality or other benefits, for example from potential contractors/suppliers.
- Taking up employment with firms/contractors providing services to your public body.
- Involvement in a decision that could lead to the appointment/recruitment/promotion of a relative or friend.
- Sale of land/property/assets.
- Carrying out business on behalf of the organisation with their own company, or a company in which a relative or close friend has an interest in.
- Owning shares in another business or organisation, that has dealings with the public body.
- Working for another business or organisation that has dealings with the public body.

The above list is not exhaustive. A list of questions which can be used to help determine if an actual, potential or perceived conflict of interest exists is attached at **Appendix A**. A list of examples of possible scenarios that could result in a potential or actual conflict of interest is set out in **Appendix B**.

### Relationships – who

The interest in question need not always be that of the staff or Committee member themselves. It can also include the interests of close relatives or friends and associates who could benefit, or have the potential to influence the public official or Board member's behaviour. These individuals could include the following and any of their personal partners:

Close relatives – by blood or marriage	Grandchildren
Spouse/Partner	Brother
Parent	Sister
Grandparent	In-laws
Child	Cousins

It can also include close friends or associates who would be considered as someone with whom the individual has a longstanding and/or close relationship, socialises with regularly or has had dealings with which may create a conflict of interest. Some further detail on "who" is contained in **Appendix C**.

## Related Party Disclosures

As NILGOSC is required to follow generally accepted accounting practice, Committee members and relevant staff must facilitate compliance with the need under International Accounting Standard 24 for material transactions with related parties to be disclosed in financial statements. "Related Party Disclosures" in IAS 24 include (in addition to business contacts) close members of the family of an individual, who are defined for the purposes of the standard as those family members, or members of the same household, who may be expected to influence, or be influenced by, that person in their dealings with the Committee.

## The nature and business of the organisation in general

The nature and business of the organisation is an important context for considering the risk profile and the likely areas that need to be carefully considered in relation to potential conflicts. NILGOSC administers and manages the local government pension scheme for Northern Ireland and the nature of the business activities it undertakes requires appropriate governance of the financial, procurement and investment decision-making processes, which are likely to need a greater focus on identifying and managing conflicts of interest.

## Position within the organisation including the nature of work undertaken

In identifying conflicts, the consideration of the role and the type of work undertaken by individuals can be a significant factor. The nature of what you are working on could result in a greater focus on conflicts of interest e.g. if you are working on a specific project, a new investment, procurement, recruitment/promotion competitions etc. For example procurement law requires that Contracting Authorities take appropriate measures to prevent, identify and remedy conflicts of interest arising in the conduct of procurement procedures so as to avoid any distortion of competition and to ensure equal treatment to bidders.

It is also important to reflect on your seniority in NILGOSC which is relevant in terms of requirements to declare conflicts and the maintenance of a register of interests. All Committee members and certain staff members in NILGOSC are required to declare interests, depending upon their level of seniority and the nature of the work undertaken – this is covered in the section '*Declaring Conflicts of Interest*'.

## Procurement risk

A conflict of interest is a very real risk at every stage of the procurement process. As stated above, the Public Contracts Regulations 2015 which govern the public procurement process require that Contracting Authorities take appropriate measures to prevent, identify and remedy conflicts of interest arising in the conduct of procurement procedures so as to avoid any distortion of competition and to ensure equal treatment to bidders.

If conflicts of interest are not properly managed there could be a perception that the Contracting Authority in question is not acting in the public interest, or seeking to achieve value for money for the taxpayer. Conflicts, real or perceived can arise in a number of different ways where an individual has, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement process. Examples of conflicts of interest during a procurement process could include:

- using information provided by a potential bidder to give them a competitive advantage by developing the procurement strategy or procurement documentation to suit their product or services;
- leaking information, not in the original tender documents, to a potential bidder to increase its chances of success;
- accepting hospitality or gifts from private sector companies in advance of, or during a procurement process;
- providing policy advice to government while also working, or consulting, for industry; or
- awarding contracts to suppliers in which the decision-maker has a personal or financial interest.

There is also the real risk, if a conflict of interest is not declared, of legal challenge that could result in a decision to award a contract being overturned. This in turn could lead to allegations of fraud, bribery and corruption which could have further legal implications.

## Employment related legal cases

Conflicts can potentially arise in employment-related legal cases. These cases can involve either Industrial/Fair Employment Tribunal proceedings or other Court proceedings.

**It is essential that any conflicts are identified early and any risks identified are managed appropriately. The best way of dealing with conflicts of interest is to prevent them from arising in the first place, but if they do arise, it is important to declare them immediately and handle them suitably and efficiently.**

# 3. DECLARING CONFLICTS OF INTEREST

**KEY PRINCIPLE: CONFLICTS OF INTEREST (INCLUDING PERCEIVED CONFLICTS) MUST BE DECLARED AT THE EARLIEST OPPORTUNITY.**

A key principle is that as soon as **any** member of staff or Committee member identifies that they have any type of conflict of interest, it should be declared immediately to their manager. If in doubt, be overcautious and declare as it is better to be open and transparent.

However, **all** Committee members and the following NILGOSC staff are required to declare interests:

- Senior managers
- Other staff at grades PO3 and above

The relevant NILGOSC staff and Committee members should declare interests as follows:

- Upon appointment** – Where appropriate, new appointees should be required to complete a Declaration of Interests form disclosing any interests or confirming they have none via a 'nil return'. For new staff this should be during the induction process, and for Committee members a form will be issued with their letter of appointment.
- Annually** – the relevant staff and Committee members will be prompted annually to review and update their Declaration of Interests form as appropriate. As part of this annual review, a current NILGOSC supplier list will be issued for review to assist with the identification of actual/potential conflicts of interest in relation to third parties with whom NILGOSC does business.
- As and when** – If circumstances change at any point after declarations on appointment or after the annual declarations have been made, any new interests which arise which may give rise to a conflict should be declared immediately by completing and submitting a revised Declaration of Interests form.
- At meetings** – At the beginning of meetings, including Committee and sub-Committee meetings, taking into consideration the meeting purpose/agenda/papers, any interest that presents a conflict must be declared and recorded in the minutes. This will include potential/perceived conflicts of interest. Any action taken to manage any conflicts of interest e.g. the individual leaves the meeting for a particular agenda item, should also be recorded in the minutes.
- At the initiation of a procurement competition** – When initiating a procurement competition, individuals involved in any part of the procurement process (e.g. developing business case, specification, evaluation strategy and tender evaluation panel) should make a declaration to confirm that there is no perceived or actual conflict of interest in the industry/sector which is likely to submit tender. This declaration should be refreshed when the identity of the tenderers (and their subcontractors) is known.
- Contract Management** – Staff responsible for the management of a contract or approval of invoices should make a declaration to confirm that there is no perceived or actual conflict of interest in the Contractor.
- Recruitment/promotion panels** – At the initiation of a recruitment or promotion competition, panel members must declare any perceived or actual conflict of interest. Panel members are made aware that any perceived or actual conflict of interest must be declared at any stage that it arises within the selection process. Panel members must also record at each stage of the selection process if a perceived or real conflict of interest exists.

In relation to the Committee and its sub-Committees, the Chair should remind members on a regular basis of the need to register new interests and also ensure that Committee members declare (and deal with) such conflicts of interest in accordance with best practice.

Additionally, it is the responsibility of all individuals to ensure that any interests which may present a conflict are brought to the attention of the appropriate person for any specific project or piece of work they are involved in.

If a staff or Committee member is in any doubt as to what should or should not be registered or declared they should discuss this with their line manager or the Chairperson and/or the Secretary respectively. It is the responsibility of the relevant staff and Committee members to ensure that their entry in the Register of Interests is accurate and kept up-to-date.

Whilst members of staff and Committee members are responsible for declaring interests and are best placed to identify whether their interests represent a conflict of interest in relation to NILGOSC business, the Chairperson, senior staff and line managers should always be alert for situations that create a conflict.

### **Employment related legal cases**

Where a person identifies that they have a conflict of interest, whether actual or perceived in an employment related legal case, they must declare it immediately to their line manager. If appropriate they must complete a Declaration of Interest form and submit it to the Governance team. Any actual or perceived conflicts may be referred to the Legal team on how to handle the conflict, if appropriate.

### **Records of Interests declared**

Completed declaration of interest forms will be compiled into separate 'Register of Interests' for NILGOSC staff and Committee members. Refer to Section 5: Publishing Registers of Interest for what information will be collected and published. The registers will be updated on an ongoing basis i.e. the induction stage, the 'as and when' stage, and the annual declaration stage. This will be maintained by The Governance Team and updated as necessary to ensure the information remains accurate and up-to-date. The Governance Manager will review the registers on an annual basis to confirm this. Reviews by the Governance Manager will be documented and retained for audit purposes. Any safeguarding procedures or measures taken to manage potential or perceived conflicts of interest should also be well documented.

The information gathered via declarations of interest will be processed in accordance with data protection principles as set out in the UK GDPR. Data will be processed only to ensure that staff and Committee members act in the best interests of NILGOSC. The information provided will not be used for any other purpose. Regarding data protection, the Governance Manager is responsible for the secure storage and handling of the Register of Interests and individual Declaration of Interest forms submitted to them. They must ensure that dissemination of this information is no wider than is necessary for the efficient conduct of business and, information should be limited to those individuals who are appropriately authorised to have access to it.



# 4. MANAGING CONFLICTS OF INTEREST

**KEY PRINCIPLE: CONFLICTS OF INTEREST (INCLUDING POTENTIAL/PERCEIVED CONFLICTS) MUST BE MANAGED APPROPRIATELY.**

Public confidence in NILGOSC (both staff and Committee members) depends on it being clearly understood that decisions are taken in the public interest and not for any other reason. Interests may be financial or non-financial but there is a particular risk in respect of financial interests. It is important therefore that conflicts of interest of any type, in any circumstance, whether actual, potential or perceived, are identified and declared at the earliest opportunity, and that prompt decisions are taken in order to mitigate risks and manage them appropriately.

Any conflict of interest that is concealed, even if unintentionally through ignorance or managed poorly, creates at best a risk of allegations or perceptions of misconduct. It can potentially result in more serious consequences, such as severe reputational damage, litigation against an organisation, disciplinary action, and, can result in individuals losing their jobs.

NILGOSC staff and Committee members must therefore:

- Observe, and be seen to observe, the highest standards of propriety;
- Guard against actual, potential, or perceived conflicts of interest;
- Keep a record of what they do, and who has approved what they do; and
- If in doubt, ask for guidance.

## **Managing Conflicts of Interest**

Individuals should discuss the nature of any conflict/potential/perceived conflict with an appropriate person (Chairperson/Secretary/line manager) and agree the relevant course of action and then:

- Step away from or divest the 'interest in' question.
- Make a record of the details of the actual/potential/perceived conflict of interest and how it is being managed, noting any conditions imposed.

In the case of staff, line managers may need to seek advice from others eg. the Governance Manager, HR Manager or Procurement Manager. If individuals are unable to discuss with their line managers, for whatever reason, you should seek advice from your Head of Department or the Governance Manager. Regular consideration and review should also take place at key interventions and milestones.

The method of managing any conflicts of interest should be assessed on a case by case basis, and will be determined after consideration of a number of factors such as the level of risk presented and what management is actually feasible.

Staff or Committee members should not participate in the discussion or determination of matters in which they have a direct pecuniary interest.

When an interest is not of a direct pecuniary kind, staff or Committee members should consider whether participation in the discussion or determination of a matter would suggest a real danger of bias. This should be interpreted in the sense that members might either unwittingly or otherwise unfairly regard with favour or disfavour, the case of a party to the matter under consideration. In considering whether a real danger of bias exists in relation to a particular decision, members should assess whether they, a close family member, a person living in the same household as the staff or Committee member, or a firm, business or organisation with which the staff or Committee member is connected are likely to be affected more than the generality of those affected by the decision in question.

In very low risk cases it may be deemed sufficient to declare the interest so that it is known but with no further action considered necessary.

On other occasions it may be necessary for an individual to leave meetings when certain items are being discussed/decisions being taken. In these circumstances declarations of interest must be made as early as possible and certainly well before the particular item on the agenda is discussed. Ideally, the declaration should be made at the beginning of the meeting and provide enough information to allow those present to understand the nature of the interest. In the event of a particularly contentious or difficult matter, there may be a need to hold a pre-meeting to discuss how a particular conflict of interest should be handled. Declarations of interest and any action taken as a result should be recorded in the minutes or other appropriate record.

In the event that an individual refuses to leave the room, the Chair should suspend the meeting and reconvene without them being present.

In certain situations, handling a conflict of interest properly may require more than simply leaving a meeting while the matter is being discussed or voted upon. For example, staff or Committee members who have a conflict of interest should:

- not get involved in the setting of criteria for the assessment of the tender etc;
- not get involved in the actual preparation of the tender, (or subsequent presentations, interviews etc) if at all possible;
- not receive any relevant papers in advance of the meeting;
- not be present for the discussion or voting or receive any minutes relating to that part of the meeting; and
- not use their position as a Committee member to try and improperly influence a decision by lobbying any other Committee member(s) or by contacting another Committee member to represent their interests at the meeting.

In other more complex situations where the conflict is more serious and it is considered that it cannot be managed, it may be necessary for the staff or Committee member to either relinquish the private interest that is creating the conflict with their public duties, or for them to resign from their position within the organisation.

Conflict of interest risks must be recorded and a full record of decisions made to manage those risks should be stored to ensure a robust audit trail is held. Any/all management action that is taken (including any decision to take no action) must be recorded in the 'Register of Interests'.

In summary therefore, there are a number of ways of managing a conflict of interest:

- **Restrict** – where restrictions are placed on the staff or Committee member's involvement in the matter;
- **Recruit** – where a disinterested third party is used to oversee part or all of the process that deals with the matter;
- **Remove** – where a staff or Committee member is removed from the matter;
- **Relinquish** – where the staff or Committee member relinquishes the private interest that is creating the conflict; and
- **Resign** – where the staff or Committee member resigns from their position with the organisation.

The NIAO Guide on Conflicts of Interest 2015 provides more information on these management strategies and when they might be used. This is set out in a table included at **Appendix D**.

The Committee should adopt safeguards to prevent conflicts of interests arising from the acceptance of outside appointments during or after tenure as a Committee member, taking account of guidance from the Department. The Committee should also obtain legal advice on the effect of any specific statutory provisions applying to them. In cases where members are authorised by law to represent a group likely to be affected by the Committee's decisions, the relevant statutory framework may permit members to be involved, notwithstanding any direct pecuniary interest that they may have in the decision.

### **Employment related Legal cases**

NILGOSC must manage the risk of actual or perceived conflicts of interest for staff who are or may need to be involved in managing litigation in the course of their work. The principles for managing any conflicts will still apply to an employment-related case. However, any officer whose conduct or direct actions may have given rise to employment-related legal action, including industrial and fair employment tribunal cases, must not be involved in any decision making regarding the handling of that case.

Legal action relating to the administration of the LGPS (NI) in accordance with Scheme Regulations will adhere to the general principles of managing conflicts of interest.

# 5. PUBLISHING REGISTERS OF INTEREST

**KEY PRINCIPLE: TO ENSURE OPENNESS AND TRANSPARENCY REGISTERS OF INTERESTS OF SENIOR OFFICIALS AND INDIVIDUAL BOARD MEMBERS OF PUBLIC BODIES SHOULD BE MADE AVAILABLE/PUBLISHED.**

NILGOSC will maintain and publish (unless there are justifiable reasons not to) /make available for public inspection, registers of all Committee member interests in addition to the Secretary and Deputy Secretary's interests. These interests may include:

- Public appointments – remunerated or unremunerated.
- Employment, self-employment, directorships etc.- remunerated or unremunerated.
- Related undertakings ie you must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary or parent of a company (or other undertaking) in which you hold a remunerated directorship.
- Charities – trusteeships, governorships, or employment with any charities or voluntary organisations.
- Contracts with NILGOSC.
- Houses, land and buildings that you own or have an interest in, which are of significance or relevance to, or bear upon the work and operation of NILGOSC.
- Shares and securities – holdings in a company or organisation which are of significance or relevance to, or bear upon the work and operation of NILGOSC.
- Relevant non-financial interests including membership or holding office in other public bodies, professional organisations, external bodies, clubs, societies and organisations such as Trade Unions.
- Relative, close friend etc

Where there is any doubt as to what an individual should or should not be registering, this should be discussed with the Chairperson/Secretary/line manager as appropriate.

The Registers of Interests will be published on the NILGOSC website in line with recommended best practice.

When publishing registers/making them publicly available, NILGOSC will take account data protection legislation. Only the individuals on the register making declarations should be identifiable. It is important that relationships when including family, friends and associates are not named– only their relationship and business/activity and interaction with NILGOSC needs to be considered for publication.

## **Employment related legal cases**

Given the potential confidential/sensitive nature of employment-related legal cases, it would not be considered appropriate for conflicts of interest information to be published. However, any conflicts of interest identified, recorded, reported in line with this policy can be made available for scrutiny as appropriate.

# APPENDIX A

## IDENTIFYING A CONFLICT OF INTEREST

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

The following questions may help when assessing an issue being considered and the situation in which you are involved.

- ☐ 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 action or decision?
- ☐ 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?

# APPENDIX B

## Examples of Conflicts of Interest

Activity	Potential Conflict
You are a close friend of an individual whose company regularly tenders for contracts in NILGOSC and you are in a position to influence the decisions in relation to the specification and procurement strategy.	You could be perceived as specifying services and influencing strategies in favour of the company your friend is employed by.  Where a conflict (or perceived conflict) exists, you should: <ul style="list-style-type: none"> <li>• not get involved in the setting of criteria for the assessment of the grant, tender etc.</li> <li>• not get involved in the actual preparation of the grant, tender, licence application (e.g involvement with the business case or procurement strategy) or subsequent presentations, interviews etc.</li> <li>• not receive any relevant papers in advance of the meeting.</li> <li>• not be present for the discussion or voting or receive any minutes relating to that part of the meeting.</li> <li>• not use your position to try and improperly influence a decision by lobbying any other person.</li> </ul>
You are having a meeting with a supplier/potential supplier in a restaurant/coffee shop.	This could be perceived as having too cosy a relationship with an individual supplier and they are favoured over others.
You (or a family member) are a director of a building supplies firm from which NILGOSC is procuring building materials.	You or a relative could personally benefit from this decision.
A cash payment or other offer is made from a supplier to an employee.	You could be perceived as being influenced by the supplier/ accepting a bribe.
Being involved with an external body that is seeking an investment opportunity with NILGOSC.	You could be perceived as influencing the investment of funds.
You have been offered hospitality e.g. lunch/dinner/concert tickets from an organisation and the organisation is the potential bidder for a NILGOSC contract.	If accepted, you could be perceived as influencing the allocation of funds/award of contract if the application is successful or contract is awarded to this supplier/organisation, even if the hospitality was in support of business objectives.
The Committee is meeting to discuss an ill-health application submitted by a close friend of your family.	You could be perceived as disclosing sensitive/confidential information which could benefit your friend.
You have been asked to be a member of a recruitment/promotion interview panel. One of the shortlisted candidates is a close relation/friend.	You could be perceived as influencing the outcome of the recruitment/promotion process.
An employer representative on the Committee has taken on part-time consultancy work with a Scheme employer, where they had previously worked as the Director of Finance	The Committee member could be perceived as having a conflict of interest by having access to information regarding Scheme employers generally or specifically that could benefit the Scheme employer that the member is linked to.
You are involved in the sale of land owned by NILGOSC through its investment portfolio and a member of your family is a director in the company that is bidding for it.	You could be perceived as influencing the decision making process/price and potentially benefiting a family member.
An employer representative on the Committee (who is also employed by a scheme employer) is appointed to represent the interests of all participating employers and an employee representative on the Committee is appointed to represent the interests of the entire scheme membership.	In both cases, conflicts may arise where the employer and employee representative only serve to act in the interests of their respective employer or trade union membership, rather than all participating employers and the entire scheme membership.
NILGOSC has contracted with a consultancy firm to provide expertise in relation to the procurement of an IT system including the development of the business case, influencing stakeholders/ users about the potential solutions available, developing the specification and having access to commercially sensitive information throughout the procurement competition where the consultancy firm is likely to be a supplier (or subcontractor) for the IT system.	A conflict of interest exists as the consultancy firm may influence decisions to favour their own company in the upcoming procurement.

Staff member becomes aware of information relevant to a legal case in which they are a claimant.

Conflict/perceived conflict of interest exists as there is a potential to use the information to further/influence their case.

**This list above is also not exhaustive as it is not possible to anticipate every situation. Furthermore, judgement will be required on a case by case basis.**

# APPENDIX C

## Definitions of Family and Friends

### "Family"

A parent	A parent-in-law	A son
A spouse/partner	A daughter	A daughter-in-law
A son-in-law	A step-son	A step-daughter
A step-parent	A sister	A cousin
A brother	An aunt	An uncle
A grandparent	A niece	A nephew

A spouse of any of the above

Any relationship as above resulting from adoption

Or, if any of the above is one of an unmarried couple, the other member of that couple.

### "Friend"

NILGOSC will describe a friend as a person (other than a relative) with whom one is on terms of mutual affection; an ally, an associate, a helper, a sympathiser, or a person with whom a member of staff has social contact. There can be no absolute and definitive definition of a friend. Common sense and individual circumstances should be considered in any decision about who is a friend and who is not.

# APPENDIX D

## Management Strategies (NIAO Guide 2015)

Management Strategy	When most suitable	When least suitable
<b>Register</b> Where details of the existence of a possible or potential conflict of interest are formally registered.	<ul style="list-style-type: none"> <li>For very low-risk and potential conflict of interest.</li> <li>Where the act of transparency through recording the conflict of interest is sufficient.</li> </ul>	<ul style="list-style-type: none"> <li>The conflict of interest is more significant or higher risk.</li> <li>The potential or perceived effects of a conflict of interest on the proper performance of the public official/ Board member's duties require more proactive management.</li> </ul>
<b>Restrict</b> Where restrictions are placed on the public official/Board member's involvement in the matter.	<ul style="list-style-type: none"> <li>The public official/Board member can be effectively separated from parts of the activity or process.</li> <li>The conflict of interest is not likely to arise frequently.</li> </ul>	<ul style="list-style-type: none"> <li>The conflict is likely to arise more frequently.</li> <li>The public official/Board member is constantly unable to perform a number of their regular duties because of conflict of interest issues.</li> </ul>
<b>Recruit</b> Where a disinterested third party is used to oversee part or all of the process that deals with the matter.	<ul style="list-style-type: none"> <li>It is not feasible or desirable for the public official/Board member to remove themselves from the decision-making process.</li> <li>In small or isolated communities where the particular expertise of the public official/Board member is necessary and genuinely not easily replaced.</li> </ul>	<ul style="list-style-type: none"> <li>The conflict is serious and ongoing, rendering ad hoc recruitment of others unworkable.</li> <li>Recruitment of a third party is not appropriate for the proper handling of the matter.</li> <li>A suitable third party is unable to be sourced.</li> </ul>
<b>Remove</b> Where a public official/Board member chooses to be removed from the matter.	<ul style="list-style-type: none"> <li>For ongoing serious conflicts of interest where ad hoc restriction or recruitment of others is not appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>The conflict of interest and its perceived or potential effects are of low risk or low significance.</li> <li>The public official/Board member is prepared to relinquish the relevant private interest rather than radically change their work responsibilities or environment.</li> </ul>
<b>Relinquish</b> Where the public official/Board member relinquishes the private interest that is creating the conflict.	<ul style="list-style-type: none"> <li>The public official/Board member's commitment to public duty outweighs their attachment to their private interest.</li> </ul>	<ul style="list-style-type: none"> <li>The public official/Board member is unable or unwilling, for various reasons, to relinquish the relevant private interest.</li> </ul>
<b>Resign</b> Where the public official/Board member resigns from their position with the organisation.	<ul style="list-style-type: none"> <li>No other options are workable.</li> <li>The public official/Board member cannot or will not relinquish their conflicting private interest and changes to their work responsibilities or environment are not feasible.</li> <li>The public official/Board member prefers this course as a matter of personal principle.</li> </ul>	<ul style="list-style-type: none"> <li>The conflict of interest and its potential or perceived effects are of low risk or low significance.</li> <li>Other options exist that are workable for the public official/ Board member and the organisation.</li> </ul>