



CODE OF CONDUCT FOR COMMITTEE MEMBERS

Approved by the Department of the Environment: 3 April 2015

Northern Ireland Local Government Officers' Superannuation Committee

Code of Conduct for Committee Members

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1. STATUS OF THE CODE

- 1.1 The Northern Ireland Assembly expects all holders of public office to work to the highest personal and professional standards. In support of this, all non executive board members of NI public bodies are required to abide by the principles set out in their body's Code of Conduct.
- 1.2 The Minister of the Environment (the Minister) is responsible for the public appointment of members to the Northern Ireland Local Government Officers' Superannuation Committee (the Committee). This Code of Conduct (the Code) sets out the principles and standards that Committee members are expected to adhere to during their term of appointment. The provisions set out within this Code form part of the terms and conditions of a Committee member's appointment and any breach of this Code will be viewed as a breach of these terms and conditions.
- 1.3 The Committee's sponsor department, the Department of the Environment (the Department), has approved the Code.

2. STRUCTURE OF THE CODE

- 2.1 This Code has been produced in accordance with DFP Guidance, FD (DFP) 04/14, *Code of Conduct for Board Members of Public Bodies (NI)*, issued in April 2014. However, it is structured to take account of the particular circumstances of the Committee and to reflect the environment in which NILGOSC operates.
- 2.2 The key principles upon which this Code is based are the Government endorsed Seven Principles of Public Life, as set out by the Committee on Standards in Public Life (the Nolan Committee).
- 2.3 This Code cannot provide for all circumstances and if any Committee member is unsure about how any aspect of the Code of Conduct applies, they should seek advice from the Chairperson and/or Secretary of NILGOSC, who, in turn, may seek advice from the Department.

3. KEY PRINCIPLES OF PUBLIC LIFE

- 3.1 The key principles upon which this Code of Conduct is based are the Seven Principle of Public Life. These are:

Selflessness

You should take decisions solely in terms of the public interest. You should not do so in order to gain financial or other material benefits for yourself, your family or your friends.

Integrity

You should not place yourself under any financial or other obligation to outside individuals or organisations that might, or might be perceived to, influence you in the performance of your official duties.

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Objectivity

In carrying out public business, including awarding contracts and recommending individuals for rewards and benefits, you should make choices on merit.

Accountability

You are accountable for your decisions and actions to the public and must submit yourself to whatever scrutiny is appropriate for your office.

Openness

You should be as open as possible about the decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands.

Honesty

You have a duty to declare any private interests relating to your public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

You should promote and support these principles by leadership and example.

- 3.2 These principles should inform your actions and decisions as a Committee member.

4. CORPORATE RESPONSIBILITIES OF COMMITTEE MEMBERS

- 4.1 The Committee has corporate responsibility for ensuring that NILGOSC fulfils the aims and objectives set by the Department and approved by the Minister and for promoting the efficient, economic and effective use of staff and other resources by the organisation. In pursuit of this responsibility the Management Committee must comply with the responsibilities as laid out in the *Management Committee Terms of Reference*.
- 4.2 The Committee is established under statute and has corporate responsibility for all actions taken by members, including wrongful ones. This means that if judgment is made against the Committee, any financial settlement would normally be met out of the Committee's funds rather than from the personal assets of individual Committee members (see Section 6).

5. MEMBERS' CONDUCT

- 5.1 Committee members should be aware of their wider responsibilities as members of the Committee. Like others who serve the public, they should follow the Seven Principles of Public Life.
- 5.2 Committee members must:
- Undertake on appointment to comply at all times with this Code of Conduct (or any agreed modification to it) and with rules relating to the

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issue of public funds;

- Play an active role in the work of the Committee. They should fulfil their duties responsibly and, at all times, act in good faith and in the best interests of NILGOSC;
- Declare publicly any private interests which may be perceived to conflict with their public duties and comply with the Committee's rules on handling conflicts of interest (see Section 7);
- Respect the principle of collective decision-making and corporate responsibility, which means that when the Committee has made a decision, Committee members should support that decision.
- Comply with NILGOSC's rules on the acceptance of gifts and hospitality. Committee members must not accept any gifts or hospitality which might, or might reasonably appear to, compromise their personal judgement or integrity or place them under an improper obligation. Committee Members should refer to and be familiar with NILGOSC's *Acceptance of Gifts and Hospitality Policy*.
- Comply with DFP and the Committee's rules regarding remuneration, allowances and expenses. Committee members are responsible for ensuring compliance with all relevant HM Revenue and Customs' requirements concerning payments, including expenses. Committee Members should refer to and be familiar with NILGOSC's *Purchasing Policy*.
- Not use official resources or information for personal gain or for political purposes.
- Comply with all statutory and administrative requirements relating to the post.

5.3 Political Activity

- 5.3.1 Committee members should be, and be seen to be, politically impartial. Committee members should not occupy paid party political posts or hold particularly sensitive or high-profile unpaid roles in a political party. On matters directly relating to the work of NILGOSC, Committee members should not make political statements or engage in other political activities. These restrictions do not apply to Committee members who are MLAs, MPs, local councillors or Peers in relation to their conduct in the House of Lords.
- 5.3.2 The Chairman is disqualified from membership of the House of Commons, the Northern Ireland Assembly and the Scottish Parliament.
- 5.3.3 Subject to the above, Committee members are free to engage in political activities provided that they are conscious of their responsibilities as a Committee member and exercise a proper discretion, particularly in regard to the business of the Committee. Committee members should inform the Chairperson and Department before undertaking any significant political activity.

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5.4 Employment and Appointments

5.4.1 If Committee members wish to take up new employment or appointments during their term in office, they must inform the Chairperson and the Department. Formal consideration will be given to whether such additional appointments are appropriate given the current appointment to NILGOSC.

5.4.2 The arrangements for appointing individual Committee members normally make it possible for the Minister to remove them from office if they fail to perform the duties required of a Committee member to the standards expected. The Local Government Pension Scheme Regulations (Northern Ireland) 2014 Schedule 3 Part 1 paragraph 7 specify the grounds on which the Committee may remove a member.

5.5 Knowledge and Competencies

5.5.1 Committee Members must be appropriately skilled to undertake their duties as set out in the *Management Committee Terms of Reference*. Members are expected to avail of the induction training provided by NILGOSC, to be familiar with the contents of the *Committee Member Handbook*, and to undertake a minimum number of hours training each year organised by NILGOSC.

5.5.2 Members must be conversant with the rules of the pension scheme and any document recording policy about the administration of the scheme. Members must have knowledge and understanding of the law relating to pensions and any other matter prescribed in legislation to the extent that allows the member to properly exercise the functions of a Committee member.

6. PERSONAL LIABILITY OF COMMITTEE MEMBERS

6.1 The Committee is a body corporate. Unlike trustees, the Committee members have no separate legal identity. A third party wishing to take an action against a Committee member would have to take action against the organisation in most cases.

6.2 Although any legal proceedings initiated by a third party are likely to be brought against the Committee as an organisation, in exceptional circumstances, proceedings (civil or, in certain other individual cases, criminal) may be brought against the Chairperson or other individual Committee members. For example, a Committee member may be personally liable if he or she makes a fraudulent or negligent statement, which results in the loss to a third party. A Committee member who misuses information gained by virtue of their position may be liable for breach of confidence under common law or under insider dealing legislation.

6.3 The Government has indicated that individual board members who have acted honestly and in good faith will not have to meet out of their own personal resources any personal civil liability which is incurred in execution

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or purported execution of their Committee function, save where the person has acted recklessly.

6.4 In order to avail of this protection, Committee members should:

- Act honestly, diligently and in good faith;
- Be satisfied that any course of action proposed is in accordance with the regulations;
- Not bind the Committee to a course of action which it cannot carry out;
- Seek to persuade colleagues by open debate and register dissent if they are concerned that the action would be contrary to the above;

- Avoid putting themselves in a situation where there is actual or potential conflict between their interests and those of the Committee; and
- Obtain necessary professional advice and subject advice given by the Committee executive officers to sufficient scrutiny to enable reliance to be placed thereon.

6.5 Committee members who want further advice should consult the Committee's legal advisers, normally through the Secretary.

7. CONFLICTS OF INTERESTS

7.1 Committee members must ensure that no conflict of interest arises, or could reasonably be perceived to arise, between their public duties and private interests – financial or otherwise. It is the responsibility of Committee members to be familiar with NILGOSC's rules on handling conflicts of interest, as set out in this section and that they comply with these rules.

7.2 Actual conflicts of interest are prohibited and cannot, therefore, be managed. Only potential conflicts of interest can be managed.

7.3 Committee members must provide the Secretary with such information as required to determine that a Committee member on appointment does not have a conflict of interest or that, since appointment, no conflict of interest has arisen.

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- 7.4 The Chairperson and other Committee members should declare publicly any personal or business interests which may conflict with their responsibilities as Committee members. Members should be made aware of the rules of conduct which ensure that such conflicts are identified at an early stage and can be resolved swiftly. This includes the keeping of a register in which members should record any interests of their own, or of close family members and persons living in the same household, which members of the public might reasonably think could influence the Committee member's judgement.
- 7.5 The register will be available for inspection by appointment at the Committee's offices during normal working hours. Interests which may need to be declared include:
- Remuneration from employment, self employment, directorships, other public appointments etc;
 - Related undertakings, i.e. 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;
 - Contracts with the public body;
 - 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 the public body;
 - Relevant non financial interests including membership or holding office in other public bodies, clubs, societies and organisations such as Trade Unions and voluntary organisations;
 - Cases in which a close¹ family member or persons living in the same household as the Committee member may have an interest.
- 7.6 If a Committee member is in any doubt as to what should or should not be registered/declared they should discuss this with the Chairperson and/or the Secretary. It is the responsibility of the Committee member to ensure that that their entry in the Register of Interests is accurate and kept up-to-date.
- 7.7 In the absence of specific statutory provisions, the rules in relation to conflicts of interest require that:
- Committee members should not participate in the discussion or determination of matters in which they have a direct pecuniary interest; and
 - When an interest is not of a direct pecuniary kind, Committee members should consider whether participation in the discussion or

¹ Close family members include personal partners, parents, children (adult and minor), brothers, sisters and the personal partners of any of these.

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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 Committee member, or a firm, business or organisation with which the Committee member is connected are likely to be affected more than the generality of those affected by the decision in question. This would cover, for example, a decision to invite tenders for a contract where a firm with which a member was connected was significantly better placed than others to win it.

- 7.8 Where, in accordance with the above, Committee members do not participate in the discussion or determination of a matter, they should normally withdraw from the meeting. This is because the continued presence of someone who had declared an interest might be thought likely to influence the judgement of the other Committee members present.
- 7.9 In certain situations, handling a conflict of interest properly may require more than simply leaving a Committee meeting while the matter is being discussed or voted upon. For example, Committee members who have a conflict of interest should:
- Not get involved in the setting of criteria for the assessment of the grant, tender etc;
 - Not get involved in the actual preparation of the grant, tender, licence application (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.
- 7.10 Whether or not Committee members are able in light of the considerations above to participate in the discussion or determination of a matter, they should declare as soon as practicable after a meeting begins if they have an interest, pecuniary or other, in a matter being considered. They should also disclose any interests of which they are aware on the part of close family members and persons living in the same household as the Committee member. In addition, Committee members should consider whether they need to disclose relevant interests of other persons or organisations which members of the public might reasonably think could influence that member's judgement.

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- 7.11 As the Committee is required to follow generally accepted accounting practice, Committee members 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.
- 7.12 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.
- 7.13 The Committee should 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. However, statutory provisions may impose restrictions that are stricter than those described in paragraph 7.8 for interests that are not of a direct pecuniary kind.

8. CONFIDENTIALITY

- 8.1 Committee members must respect the confidentiality of sensitive information held by NILGOSC while ensuring compliance with the Freedom of Information and Data Protection Acts. This includes commercially sensitive information, personal information and information received in confidence by the organisation. It is also essential that debate inside the Boardroom is not reported outside it except insofar as it is reflected in minutes of proceedings available to the public.
- 8.2 On occasions, Committee members will be required to treat discussions, documents or other information relating to the work of NILGOSC in a confidential manner. It is imperative that Committee members respect this duty of confidentiality at all times. Such information must not be disclosed to third parties. In particular, information that Committee members have privileged access to should never be used for personal or financial gain or in a way that brings NILGOSC into disrepute.

9. RESPONSIBILITIES TOWARDS EMPLOYEES

- 9.1 The Committee should treat any staff employed by NILGOSC with courtesy and respect. It is expected that employees will show the same consideration in return. Committee members must not ask or encourage employees to act in any way which would conflict with their own Code of Conduct.

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