

# Dyfed Pension Fund

## Conflict of Interest Policy

June 2025

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## Introduction

This is the Conflict of Interest Policy of the Dyfed Pension Fund, which is managed by Carmarthenshire County Council (the "Administering Authority"). The policy details how conflicts of interest are identified and managed by those involved in the management and governance of the Fund.

This policy applies to the pension committee, pension board, officers and external advisors in relation to the duties they carry out for the Fund.

To support good governance arrangements, it is important to document within a policy, such as this, how conflicts or potential conflicts are to be managed.

The Fund has adopted a definition of conflicts of interest which includes potential, perceived and actual conflicts. The Fund understands that it may not be possible to identify, manage and monitor all potential and perceived conflicts of interest, however it will endeavour to where possible.

The Fund has adopted the Public Service Pensions Act 2013's definition of a conflict of interest, which states that a conflict of interest is a financial or other interest which is likely to prejudice a person's exercise of functions.

The Fund recognises that a failure to manage conflict of interest poses material risks, the consequences of which may include decisions that are not in the best interests of the Fund's stakeholders, the Fund's reputation being negatively impacted and/or referral to regulatory bodies.

## Objectives

In preparing this policy, the Fund's objectives are to:

- demonstrate its commitment to identifying, managing and monitoring conflicts of interest.
- adhere to the Fund's belief that good governance and transparency will deliver superior outcomes for stakeholders.
- support the Fund's decision making and governance framework

The identification and management of potential and actual conflicts of interest is integral to us achieving our governance objectives.

## Responsibility

As the Administering Authority for the Dyfed Pension Fund, we must be satisfied that conflicts of interest are appropriately managed. For this purpose, the Director of Corporate Services is the designated individual for ensuring the procedure outlined below is carried out.

However, it is the responsibility of each individual covered by this policy to identify any potential instances where their personal, financial, business or other interests might come into conflict with their pension fund duties.

## Operational Procedure for Committee and Board members

The following procedure must be followed by members of the committee and board. However, it should be noted that councillors also have an obligation to follow and abide by the requirements of Carmarthenshire County Council's Members' Code of Conduct.

**Appointment stage:** Initial identification of interests which do or could give rise to a conflict.

**Ongoing monitoring:** At the commencement of any pension committee, pension board or other formal meeting where relevant matters are to be discussed, the Chair will ask all those present who are covered by this policy to declare any new potential conflicts. This will be an agenda item, and any conflicts will be recorded in the minutes of the meeting and in the Fund's register of conflicts of interest.

**Periodic review:** At least once every 12 months, the Director of Corporate Services will provide to all individuals to whom this policy applies a copy of their currently declared Fund conflicts of interest. All individuals will confirm that their information is correct or highlight any changes that need to be made.

Where appropriate if a new conflict is identified then the Monitoring Officer must be advised so that advice can be sought so any relevant actions can be implemented.

## Operational Procedure for Officers

Officers are required to comply with Carmarthenshire County Council's (as administering authority of the Fund) Officers' Code of Conduct. As part of this officers are required on a periodic basis to declare any non-financial or financial interests that could bring about conflict with the Council's interests.

Additionally, officers undertaking evaluations on procurement submissions are required to complete a conflict of interest declaration form.

Where appropriate if a new conflict is identified then the Monitoring Officer must be advised so that advice can be sought so any relevant actions can be implemented.

## Operational Procedure for Advisers

The Fund's advisers are expected to have their own policies on how conflicts of interest will be managed in their relationships with their clients.

Providers to the Fund are required to disclose any conflict of interest that may arise, including any related third-party engagements.

All potential or actual conflicts notified by advisers will be recorded in the Fund's Register of conflicts of interest.

## Review

Upon identifying any conflicts of interest, the Fund will carry out an evaluation process. The evaluation process will assess the potential severity of the impacts that could result if the chosen conflict is not suitably managed. Following the evaluation process the Fund will classify the conflict based on its nature and its potential impact severity.

## Training

The Fund recognises that training and education is critical to achieving good outcomes and will allocate resources to ensure that it undertakes regular training and education on identifying, managing and monitoring conflicts of interest. A key risk to the successful implementation of the policy is pension committee and pension board members or officers having the necessary knowledge to effectively identify and declare conflicts.

## Wales Pension Partnership (WPP) Conflict of Interest Policy

A potential area where a conflict of interest may arise is in relation to investment pooling. As an Administering Authority of the Fund, the Council is a Constituent Authority of WPP.

The majority of the Fund's assets are now either under pool management or physically pooled with WPP. The Chair of the pension committee is a member of WPP's Joint Governance Committee and there are senior officers of the Fund who are members of the Officer Working Group. The Administering Authority is also the Host Authority of WPP, therefore there is potential for conflicts to arise as officers are involved in the management of the Fund, the WPP and the Administering Authority.

Individuals involved in the management of the WPP must also comply with WPP's Conflicts of Interest Policy and any relevant policies implemented by the Administering Authority.

## Review of the Conflict of Interest Policy

This policy will be formally reviewed and updated at least every three years. The next review is due in 2028 unless matters arise which require the policy to be reviewed earlier.

## Contact Information

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