



GOVERNANCE POLICY STATEMENT

Approved: November 2018

Northern Ireland Local Government Officers' Superannuation Committee

1. INTRODUCTION

- 1.1 The Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) is required by Section 62 of the Local Government Pension Scheme Regulations (Northern Ireland) 2014 (the Regulations) (as amended) to prepare, maintain and publish a Governance Policy Statement setting out details about whether it delegates its function or part of its function in relation to maintaining a pension fund to a sub-committee or an officer of NILGOSC.

2. CONSTITUTION AND STATUTORY FRAMEWORK

- 2.1 NILGOSC is a Non-Departmental Public Body managed by a Management Committee (the Committee), established by the Local Government Superannuation Act 1950. The constitution and powers of the Committee are set out in Schedule 3 of the Regulations. The sponsor Department is the Department for Communities.
- 2.2 NILGOSC is a body corporate with perpetual succession and a common seal. The Committee is charged with performing such functions as assigned to it by the Regulations. Furthermore, it must also manage a fund in accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations (Northern Ireland) 2000 (as amended).
- 2.3 In accordance with the Local Government Pension Scheme (Governance) (Amendment) Regulations (Northern Ireland) 2015, the Department of the Environment designated the Committee as the Pension Board of the Local Government Pension Scheme for Northern Ireland.

3. COMPOSITION AND APPOINTMENT

- 3.1 The Committee shall consist of a Chairperson and the following other members:
 - (a) five members appointed by the Minister of the Environment (the Minister) after consultation with such organisations as may be recognised by him as representative of Scheme employers; and
 - (b) five members appointed by the Minister after consultation with such organisations as may be recognised by him as representative of employees affected by the Regulations.
 - (c) two members appointed by the Minister who are deemed by him to be appropriate.

4. RESPONSIBILITIES AND AUTHORITY

- 4.1 The Committee has overall responsibility for the governance and administration of NILGOSC. It also has corporate responsibility for ensuring that NILGOSC complies with any statutory or administrative requirements for the use of public funds and for promoting the efficient, economic and effective use of staff and other resources.
- 4.2 The powers of the Committee are set out in Schedule 3, Part 2 of the Regulations and its responsibilities in the Terms of Reference for the Committee set by the Department of the Environment.

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5. DELEGATION OF AUTHORITY

- 5.1 Subject to any overriding provision to the contrary, the Committee may delegate responsibility for specified matters to:
- (i) A Sub-Committee of the Committee
 - (ii) A Sub-Committee of Officers
 - (iii) Any officer
- 5.2 Committee members serve on a part-time basis. To the extent permitted by the legislation under which the Committee is established, responsibility for day-to-day management matters is delegated to the Secretary so far as is practicable, within a clearly understood framework of strategic control.
- 5.3 A Scheme of *Delegations of Authority* sets out those matters that are delegated and those matters that are reserved for the Committee. A copy is attached at Appendix A.

6. AVAILABILITY

- 6.1 This Statement and other related documents (Delegations of Authority, Terms of Reference and Standing Orders) are publicly available through NILGOSC's Publication Scheme in accordance with the Freedom of Information Act (2000). The documents are available on the NILGOSC website at <http://www.nilgosc.org.uk/publication-scheme>. Alternatively, a copy may be requested from info@nilgosc.org.uk.



DELEGATIONS

OF

AUTHORITY

Approved: 19 June 2018

DELEGATIONS OF AUTHORITY

1. Matters Reserved for Management Committee Approval

1.1 Governance

1.1.1 The following matters are reserved to the Management Committee:-

- (i) Approval of Standing Orders & Delegations of Authority
- (ii) Approval of arrangements for dealing with complaints;
- (iii) Approval of the Equality Scheme;
- (iv) Approval of the Freedom of Information Publication Scheme;
- (v) Establishment of Sub-Committees;
- (vi) Approval of the Risk Management Policy and Risk Register.

1.2 Strategy, Plans and Budgets

1.2.1 The following matters are reserved to the Management Committee: -

- (i) Definition of the Committee's Vision, Mission, Aims and Objectives;
- (ii) Approval of Corporate Plan;
- (iii) Approval of Annual Budget;
- (iv) Monitoring of Performance and Budget on an annual basis.

1.3 Staffing

1.3.1 The following matters are reserved to the Management Committee: -

- (i) Appointment or dismissal of the Secretary and Deputy Secretary;
- (ii) Approval of the Appointments Procedure;
- (iii) Approval of the Disciplinary Procedure;
- (iv) Approval of the Grievance Procedure;
- (v) Approval of the Redundancy Policy;
- (vi) Approval of the Staff Code of Conduct;
- (vii) Approval of the Discretionary Policies under the Local Government Pension Scheme Regulations (Northern Ireland) 2014 including the Policy Statement under Regulation 66 and the Discretionary Policy under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007;
- (viii) Approval of any substantial organisational restructuring which involves any compulsory redundancy.

1.4 Investment Management

1.4.1 The following matters are reserved to the Management Committee: -

- (i) Approval of the Statement of Investment Principles;
- (ii) Approval of the Funding Strategy Statement;
- (iii) Approval of the Responsible Investment Strategy
- (iv) Approval of List of Short Term Investment Institutions.
- (v) Approval of appointment and termination of Fund Managers or investment in a fund managed by a fund manager new to NILGOSC (with exception noted below)
- (vi) Approval of the appointment of a custodian;

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- (vii) Approval of the appointment of a fund investment advisor;
- (viii) Approval of the appointment of the fund actuary;
- (ix) Approval of the assumptions for the triennial valuation.

1.4.2 Under matter 1.4.1(v) the Secretary is authorised to approve collaborative infrastructure commitments up to a maximum of ¼% of the total fund per individual investment.

1.4.3 The Secretary is responsible for the authorisation and execution of contracts approved by the Management Committee in line with 1.4.1 above.

1.5 Financial Arrangements

1.5.1 The following matters are reserved to the Management Committee: -

- (i) Approval of the appointment of a banking services provider;
- (ii) Approval of the opening or closing of any current account;
- (iii) Approval of the writing-off of any loss in excess of £5,000;
- (iv) Approval of the Whistleblowing, Anti-Bribery and Anti-Fraud policy.

1.6 Purchasing

1.6.1 The following matters are reserved to the Management Committee: -

- (i) Approval of the Purchasing Policy;
- (ii) Approval of a contract which exceeds £100,000;
- (iii) Approval of capital projects over £75,000;
- (iv) Approval of IT projects over £100,000;
- (v) Approval of single tender actions exceeding £5,000.

1.6.2 The Secretary is responsible for the authorisation and execution of contracts approved by the Management Committee in line with 1.6.1 above.

1.7 Auditing and Reporting

1.7.1 The following matters are reserved to the Management Committee: -

- (i) Approval of the Annual Report and Audited Financial Statements;
- (ii) Appointment of an Internal Auditor;
- (iii) Approval of the Terms of Reference of the Audit Committee.

1.8 Pension Scheme

1.8.1 The following matters are reserved to the Management Committee: -

- (i) Admission of a Scheme Employer;
- (ii) Approval of action following the determination of the Pensions Ombudsman to overturn a decision of the Management Committee
- (iii) Determination of Stage II Reviews undertaken as part of the Internal Dispute Resolution Procedure.

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2. Delegation of Authority

- 2.1 The Secretary is responsible for all other matters not precluded under these Standing Orders. The Secretary is not restricted from exercising his own delegation to his staff for any of the matters for which he is responsible but is accountable for the actions of all officers exercising a delegation.
- 2.2 The Fund Managers are responsible for the investment of the fund within the terms of their Investment Management Agreement or equivalent agreement.
- 2.3 The Committee may appoint a sub-committee or an officer employed by the Committee to discharge, with or without restrictions or conditions as the Committee thinks fit, any of the functions assigned to the Committee by the Local Government Pension Scheme (Management and Investment of Funds) Regulations (Northern Ireland) 2000 or the Local Government Pension Scheme Regulations (Northern Ireland) 2014 and the Transitional Regulations.
- 2.4 The Committee has established an Audit and Risk Assurance Committee and a Staffing Committee to advise it on matters falling within the respective committees' terms of reference.

3. Custody of Seal and Sealing of Documents

- 3.1 The Secretary shall hold the common seal in a safe place secured under lock.
- 3.2 All deeds and other documents to which the Common Seal of the Committee shall be required to be affixed shall be sealed and witnessed by the Secretary, Deputy Secretary or Acting Secretary.
- 3.3 The use of the Seal will be recorded in the Seal Log and will be reported at the next meeting of the Committee.

4. Signature of Documents

- 4.1 Every document signed by the Secretary, the Deputy Secretary or any other person authorised to act in that behalf will be a document purporting to be an instrument issued by the Committee.

5. Urgent Decisions

- 5.1 The Secretary is empowered to take urgent action on behalf of the Committee in matters which would normally have been considered by the Committee itself but where no meeting of the Committee is available for that purpose. On all such occasions he shall consult first with the Chairperson, or in the absence of the Chairperson with the Deputy Chairperson, or in the absence of the Deputy Chairperson with another Committee member, before taking action and shall seek endorsement of his action at the next Committee meeting.

AUDIT & RISK ASSURANCE COMMITTEE

TERMS OF REFERENCE

1. CONSTITUTION

- 1.1 At a meeting held at Templeton House on 27 August 1996, the Northern Ireland Local Government Officers' Superannuation Committee (Management Committee) resolved to establish a standing Committee, without Executive responsibilities, to be known as the Audit Committee, in accordance with terms of reference which were adopted on 22 October 1996.
- 1.2 In accordance with best practice guidance, the Sub-Committee was renamed the Audit & Risk Assurance Committee in September 2013.

2. MEMBERSHIP

- 2.1 The membership of the Audit & Risk Assurance Committee shall consist of a minimum of four members (including the Chair) appointed by the Management Committee.
- 2.2 The Chairperson of the Audit & Risk Assurance Committee shall be appointed by the Management Committee.
- 2.3 The term of appointment of members will be determined by the Management Committee and clearly set out in writing at the time of appointment.
- 2.4 The duties and responsibilities of a member of the Audit & Risk Assurance Committee are in addition to those set out for a member of the Management Committee. New members will be issued with a Letter of Appointment which sets out the duration of the appointment, what is expected from them in their role and other relevant information relating to the role.
- 2.5 Audit & Risk Assurance Committee members are required to be independent and objective and to have a good understanding of the objectives and priorities of the organisation and of their role as an Audit & Risk Assurance Committee member.
- 2.6 At least one member of the Audit & Risk Assurance Committee, to include the Chairperson, should have recent and relevant financial experience. This experience should be sufficient to allow them to competently engage with financial management and reporting in the organisation, and associated assurances.
- 2.7 The Audit & Risk Assurance Committee will be provided with a Secretariat function by the Investment and Governance Manager.

3. AUTHORITY

- 3.1 The overarching purpose of the Audit & Risk Assurance Committee is to advise the Accounting Officer and the Management Committee. It is an advisory body and does not have any executive responsibilities or power to make decisions on behalf of the Management Committee.

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- 3.2 The Audit & Risk Assurance Committee is authorised by the Management Committee to investigate any activity within its terms of reference it deems appropriate. It is authorised to seek any information from any officer or employee of the organisation, all of whom are directed to co-operate with any request made by the Committee.
- 3.3 The Audit & Risk Assurance Committee is authorised to obtain independent professional advice if it considers this necessary.

4. MEETINGS

- 4.1 The Audit & Risk Assurance Committee will meet at least four times a year. The Chairperson of the Audit & Risk Assurance Committee may convene additional meetings, as they deem necessary.
- 4.2 A minimum of two members of the Audit & Risk Assurance Committee will be present for the meeting to be deemed quorate.
- 4.3 Audit & Risk Assurance Committee meetings will normally be attended by the Secretary, the Deputy Secretary, the Finance Manager, the Head of Governance and Support Services and the Governance Manager. Meetings may also be observed by a representative of NILGOSC's Sponsor Department.
- 4.4 The Internal Auditor and the External Auditor shall normally attend meetings where business relevant to them is discussed.
- 4.5 The Audit & Risk Assurance Committee may ask any other officials of NILGOSC to attend to assist it with its discussions on any particular matter.
- 4.6 The Audit & Risk Assurance Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.
- 4.7 The Internal or External Auditors may request a meeting if they consider it necessary.
- 4.8 The Audit & Risk Assurance Committee will arrange a closed session with the External and Internal auditors on an annual basis or more regularly if deemed necessary.
- 4.9 The Management Committee or the Secretary, as Accounting Officer, may ask the Chairperson to convene further meetings to discuss particular issues on which they want the Committee's advice. These requests should be in writing to the Chairperson.

5. RIGHTS

- 5.1 The Audit & Risk Assurance Committee may co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience.
- 5.2 The Audit & Risk Assurance Committee may also procure specialist ad-hoc advice, subject to the agreement of the Committee.

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6. ACCESS

- 6.1 The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chairperson of the Audit & Risk Assurance Committee.

7. REPORTING

- 7.1 The Chairperson will provide a verbal report of business undertaken by the Audit & Risk Assurance Committee at the next meeting of the Management Committee.
- 7.2 The agreed minutes of the Audit & Risk Assurance Committee meeting will be circulated to the members of the Management Committee, following the meeting at which the Audit & Risk Assurance Committee approves the minutes.
- 7.3 The Audit & Risk Assurance Committee will provide the Management Committee with an annual report, timed to support the finalisation of the accounts and the Governance Statement, summarising the conclusions from the work it has done during the year.

8. RESPONSIBILITIES

- 8.1 The Audit & Risk Assurance Committee will support the Management Committee and Accounting Officer by reviewing the comprehensiveness of assurances in meeting the Management Committee and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.
- 8.2 The Audit & Risk Assurance Committee will advise the Management Committee on:
- the strategic processes for risk, control and governance and the Governance Statement.
 - the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of errors identified, and management's letter of representation to the external auditors.
 - the planned activity and results of both internal and external audits.
 - adequacy of management response to issues identified by audit activity, including External Audit's management letter.
 - assurances relating to the management of risk and corporate governance requirements for the organisation.
 - proposals for tendering for Internal Audit services.
 - anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

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- 8.3 The Audit & Risk Assurance Committee will also periodically review its own effectiveness and report the results of that review to the Management Committee.

9. DUTIES

- 9.1 To ensure that there is an open avenue of communication between the Local Government Auditors, the Internal Auditors and the Management Committee.
- 9.2 Consider in consultation with the Local Government Auditor the nature and scope of audit plans.
- 9.3 Review the organisation's annual Governance Statement, financial statements and related reports.
- 9.4 Consider key accounting policies, estimates and judgements, together with the clarity, completeness and context of disclosures in the financial statements.
- 9.5 Consider and review with Management and the Local Government Auditor significant findings during the year and Management's responses including action taken thereto.
- 9.6 Consider and review with the Local Government Auditor the adequacy of the NILGOSC's systems of internal control including information systems controls and cyber security.
- 9.7 Oversee the appointment of an Internal Audit service and ensure that NILGOSC's internal audit service meets and complies with the Public Sector Internal Audit Standards and meets agreed levels of service.
- 9.8 Consider the internal audit reports, including value for money reports and the arrangements for their implementation.
- 9.9 Consider the appropriateness and effectiveness of NILGOSC's fraud and whistleblowing arrangements.
- 9.10 Consider any other matters referred by the Management Committee which are within the Audit & Risk Assurance Committee's scope of responsibility.

10. INFORMATION REQUIREMENTS

- 10.1 For each meeting the Audit & Risk Assurance Committee will be provided with:
- a report summarising any significant changes to NILGOSC's Risk Register.
 - a progress report from Internal Audit summarising work performed, a comparison with work planned, key issues emerging, management responses to recommendations, any changes to the Internal Audit Plan and any resourcing issues affecting the delivery of the objectives of Internal Audit.
- 10.2 As and when appropriate the Audit & Risk Assurance Committee will also be provided with:
- The Internal Audit Charter
 - The Internal Audit Strategy and Plan for the year going forward.
 - Internal Audit Review Reports.
 - An Audit Strategy Plan from the Local Government Auditor.

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- An Annual Risk report.
- An Annual Notification report including the outcome of the annual test of the Business Continuity Plan and annual update on reported frauds and breaches.
- The Accounting Officer's draft Governance Statement.
- The Head of Internal Audit's Annual Opinion and Report
- Revised Terms of Reference.
- The Draft Accounts of NILGOSC.
- External Audit's management letter.
- A progress report on implementation of internal audit recommendations.
- A report on any incidents reported through NILGOSC's Anti-Fraud, Anti Bribery or Whistleblowing policies.
- A summary of any breaches reported to The Pensions Regulator in line with its *Code of Practice 14: Governance and Administration of Public Service Pension Schemes*.
- A report on any changes to accounting policies.
- A report on any proposals to tender for internal audit.
- A review of the effectiveness of the internal audit service.
- Assurance Statements submitted to NILGOSC's Sponsor Department.

10.3 The above list is not exhaustive and other reports and guidance may be provided to the Audit & Risk Assurance Committee as required.

11. Training and Development

11.1 Audit & Risk Assurance Committee Members should be appropriately skilled to undertake their duties as an Audit & Risk Assurance Committee Member.

11.2 All new members are required to attend a recognised best practice Audit & Risk Assurance Committee course. The Chairperson will hold a brief induction training session with new members in advance of attendance at their first meeting, where possible. This will include a summary of key agenda items, current issues, risks and reporting requirements. These are set out in an induction checklist, which will be provided to members on appointment.

11.3 Members are required to continue to develop their skills and knowledge to work collaboratively.

11.4 The Chairperson shall ensure that all members have an appropriate programme of engagement with the organisation to help build sufficient understanding of the organisation, its objectives, business needs, priorities and risk profile.

Last Updated and Approved: November 2018

STAFFING COMMITTEE TERMS OF REFERENCE

1. CONSTITUTION

- 1.1 At a meeting held at Templeton House on 26 March 2002, the Northern Ireland Local Government Officers' Superannuation Committee resolved to establish a Sub-Committee, to be known as the Staffing Committee which would be responsible for the initial consideration of all staffing matters.

2. MEMBERSHIP

- 2.1 The membership of the Staffing Committee shall consist of a minimum of 4 members appointed by the Committee.
- 2.2 The duties and responsibilities of a member of the Staffing Committee are in addition to those set out for a member of the Northern Ireland Local Government Officers' Superannuation Committee.
- 2.3 The Chairperson of the Committee shall be appointed by the Management Committee.
- 2.4 The Staffing Committee will be provided with a secretarial function by the Human Resources Manager.

3. AUTHORITY

- 3.1 The Staffing Committee is an advisory body.
- 3.2 Subject to NILGOSC policies the Staffing Committee is authorised by the Northern Ireland Local Government Officers' Superannuation Committee to investigate any activity within its terms of reference it deems appropriate. It is authorised to seek any information from any officer or employee of the organisation, all of whom are directed to co-operate with any request made by the Committee.
- 3.3 The Staffing Committee is authorised to obtain independent professional advice if it considers this necessary.

4. MEETINGS

- 4.1 The Staffing Committee will meet whenever it deems appropriate.
- 4.2 A minimum of 2 members of the Staffing Committee will be present for the meeting to be deemed quorate.
- 4.3 Staffing Committee meetings will normally be attended by the Secretary, the Deputy Secretary and the Human Resources Manager.
- 4.4 The Staffing Committee may ask any other officers of NILGOSC to attend to assist it with its deliberations.
- 4.5 The Staffing Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

- 4.6 The Staffing Committee Chairperson may convene a meeting upon the written request of any Committee Member.

5. REPORTING

- 5.1 The Chairperson will provide a verbal report of business undertaken by the Staffing Committee at the next meeting of the Management Committee.
- 5.2 The agreed minutes of the Staffing Committee will be circulated to the members of the Management Committee, following the meeting at which the Staffing Committee approves the minutes.

6. RESPONSIBILITIES

- 6.1 The Staffing Committee will advise the Northern Ireland Local Government Officers' Superannuation Committee on:
- Staffing strategy
 - Staffing, Employment, Health and Safety and Equality policies
 - Contractual arrangements for staff. This is to include scrutiny of termination payments.
 - The remuneration and terms of service of all staff members
 - Discretionary Policies under the Local Government Pension Scheme (Administration) Regulations (Northern Ireland) 2009 including the Policy Statement under Regulation 62 and the Committee's Policy Statement on Pension Abatement under Regulation 66.
 - Non pay rewards and staff benefits