



# **MANAGEMENT COMMITTEE**

## **TERMS OF REFERENCE**

Issued by the Department of the Environment on 23 March 2015.

Adopted by the Committee on 28 April 2015.

# **Northern Ireland Local Government Officers' Superannuation Committee**

## **Management Committee Terms of Reference**

### **1. CONSTITUTION & STATUTORY FRAMEWORK**

- 1.1 NILGOSC is a Non-Departmental Public Body managed by a Management Committee (the Committee), established by the Local Government Superannuation Act 1950. The constitution of the Committee is set out in Schedule 3 of the Local Government Pension Scheme Regulations (Northern Ireland) 2014 (the Regulations). The sponsor Department is the Department for Communities (the Department).
- 1.2 The Committee 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).
- 1.3 In addition, and in accordance with the designation made by the Department under the Local Government Pension Scheme (Governance) (Amendment) Regulations (Northern Ireland) 2015, the Committee is the Pension Board of the Local Government Pension Scheme for Northern Ireland.
- 1.4 The Committee is also required to comply with other more general UK and Northern Ireland legislation as it applies.
- 1.5 The Minister for Communities is answerable to the Northern Ireland Assembly for the policies and performance of NILGOSC, including its use of resources and the policy framework within which it operates. A Management Statement is in place with the Department which sets out the broad framework within which NILGOSC will operate in administering the Scheme and in the exercise of its functions, duties and powers. An associated Financial Memorandum is also in place with the Department, which sets out certain aspects of the financial framework within which NILGOSC is required to operate, in accordance with MPMNI. The Committee is responsible for ensuring compliance with the provisions set out in both the Management Statement and Financial Memorandum.

### **2. COMPOSITION**

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

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- 2.2 Members of the Committee will represent the interests of all of the Scheme's beneficiaries, participating employers and the Accounting Officer and not simply the interests of the organisation that nominated them (if applicable).

### **3. APPOINTMENT**

- 3.1 The Minister shall appoint the Chairperson and the 12 other members.
- 3.2 The term of office of a member of the Committee (subject to other provisions within the terms of reference) is four years.
- 3.3 A member of the Committee on vacating office at the expiration of the initial term shall be eligible for re-appointment.
- 3.4 The Minister may extend the term of office of the Chairperson or a member of the Committee by a maximum period of 18 months.
- 3.5 The Committee may act notwithstanding any vacancy in its number so long as the number of vacancies does not exceed the number of remaining members.
- 3.6 A casual vacancy occurring in the membership of the Committee shall be filled by the Minister after consultation with the Committee and a person so appointed shall hold office for the residue of the term of the member in whose place he/she is so appointed.
- 3.7 A member of the Committee may resign his/her membership by giving notice in writing, signed by the member, to the Minister.
- 3.8 Where any member of the Committee is absent from the meetings for more than six months consecutively (except for a reason approved by the Minister) or becomes bankrupt or makes a composition with creditors or is convicted of an indictable offence, the Committee shall forthwith by resolution declare the office to be vacant and shall notify that fact in such manners as it thinks fit, and thereupon the office shall become vacant.
- 3.9 Where a member has a conflict of interest that prevents that member continuing as a Pension Board member, or a member of the Committee, the Committee will request that the Minister removes that member from office.
- 3.10 The Committee will appoint its own Deputy Chairperson from within the members of the Committee to serve for a period of office as it deems appropriate.

### **4. CORPORATE RESPONSIBILITIES & AUTHORITY**

- 4.1 The responsibilities and authority of the Committee are as set out in the Regulations and the Management Statement issued by the Department.
- 4.2 NILGOSC's overall purpose is for 'Administering a pension scheme and managing and maintaining a pension fund providing retirement benefits for employees of district councils and other admitted bodies in Northern Ireland'.

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4.3 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.

4.4 The Committee shall:

- ensure compliance with any legislation relevant to the governance and administration of the Scheme and requirements imposed by the Pensions Regulator;
- ensure effective and efficient governance and administration of the Scheme and establish and operate internal controls;
- establish the overall strategic direction of NILGOSC within the policy and resources framework determined by Minister and the Department;
- constructively challenge NILGOSC's executive team in their planning, target setting and delivery of performance;
- ensure that the Department is kept informed of any changes which are likely to impact on the strategic direction of NILGOSC or on the attainability of its targets, and determine the steps needed to deal with such changes;
- ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Committee operates within the limits of its statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Committee takes into account all relevant guidance issued by DFP and the Department;
- ensure that they receive and review regular financial information concerning the management of NILGOSC; are informed in a timely manner about any concerns about the activities of NILGOSC; and provide positive assurance to the Department that appropriate action has been taken on such concerns;
- demonstrate high standards of corporate governance at all times, including using the independent Audit & Risk Assurance Committee to help the Committee to address the key financial and other risks facing NILGOSC; and
- appoint a Secretary to NILGOSC.

## **5. DELEGATION**

5.1 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

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- Ireland) 2000, or the Local Government Pension Scheme Regulations (Northern Ireland) 2014 or the Transitional Regulations.
- 5.2 A sub-committee appointed under paragraph 5.1 shall consist of Committee members and may include officers of the Committee.
- 5.3 The Committee will determine the Sub-Committee's terms of reference, membership and term of office, and will appoint the Chairperson of the Sub-Committee.
- 5.4 The Committee may revoke any appointment to a Sub-Committee or disband a Sub-Committee as it deems appropriate.
- 5.5 The Chairperson of the Sub-Committee or, in his/her absence, a Member of the Sub-Committee or, in the absence of Members, the Secretary of the Sub-Committee will report to the Committee on the activities of the Sub-Committee after the Sub-Committee has met.
- 5.6 The Sub-Committee will appoint its own secretary and will organise its own meetings.
- 5.7 Members other than those appointed to a Sub-Committee may attend Sub-Committee meetings on notification to the Sub-Committee Chairperson. Any member so attending may be permitted to speak before the Sub-Committee but not to vote or take part in any other part of proceedings.
- 5.8 There shall be two standing committees, each with its own terms of reference:-
- (i) Audit & Risk Assurance Committee
  - (ii) Staffing Committee
- 5.9 Subject to those powers explicitly delegated to a Sub-Committee in its terms of reference, all findings shall be of an advisory nature only.
- 5.10 The Committee may appoint a Staff Appeals Committee on an ad-hoc basis to hear staff grievance and disciplinary appeals. The Staff Appeals Committee will consist of three Committee Members and should, unless precluded by these Terms of Reference, be chaired by the Deputy Chairperson.
- 5.11 The Committee shall appoint an appropriate Sub-Committee whose function will be to appoint the Secretary.
- 5.12 A Scheme of *Delegations of Authority* will be maintained which sets out those matters that are delegated and those matters that are reserved for the Committee.

### 6. MEETINGS

- 6.1 The meetings and proceedings of the Committee shall be conducted in accordance with the *Standing Orders for Committee Meetings*.

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#### **7. CONDUCT OF COMMITTEE MEMBERS**

- 7.1 Committee Members are expected to comply with the *Code of Conduct for Committee Members* as well as all other relevant policies approved by the Committee.

#### **8. RECORDING AND REPORTING**

- 8.1 A minute of all Committee meetings and decisions will be kept in accordance with the *Standing Orders for Committee Meetings*.
- 8.2 At the end of each financial year, NILGOSC shall publish an annual report of its activities together with its audited annual accounts. The accounts should be prepared in accordance with the Accounts Direction, the Statement of Recommended Practice on Pension Fund Accounts and such other guidance as may be issued by the Department and the Department of Finance.
- 8.3 The Annual Report and Accounts will be submitted to the Department, laid before the Assembly and circulated to all employing authorities in accordance with the Regulations.
- 8.4 The Committee is responsible for providing the Northern Ireland Assembly (including its relevant Committees) and the relevant persons and organisations with as full information as may be requested concerning its policy decisions and actions. The Committee should conduct all its business in an open and responsible way, and ensure full compliance with the Freedom of Information Act.
- 8.5 The Committee must publish information required about the pension board and keep that information up to date and comply with any other legal requirements relating to the publication of information about governance and administration.

#### **9. PERFORMANCE & REVIEW**

- 9.1 The Committee will carry out an annual self-assessment to evaluate its own performance and determine any action required to improve effectiveness.
- 9.2 The Chairperson will conduct annual performance appraisals with each member to evaluate their performance in their role as a Committee Member and on any Sub-Committees. Completed appraisals will be forwarded to the Department for review and sign off.
- 9.3 The performance of the Chairperson will be evaluated independently on an annual basis in line with Departmental guidance.

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