

FINANCIAL MEMORANDUM FOR
THE NORTHERN IRELAND LOCAL GOVERNMENT OFFICERS'
SUPERANNUATION COMMITTEE

	PAGE
I. INTRODUCTION	3
II. THE BODY'S INCOME AND EXPENDITURE – GENERAL	3
Total estimate of expenditure	3
Expenditure not proposed in the budget	3
Procurement	3
Competition	4
Best Value for money	4
Timeliness in paying bills	4
Novel, contentious or repercussive proposals	4
Risk management / Fraud	5
Wider markets	5
Fees and charges	5
III. THE BODY'S INCOME	6
Receipts from sale of goods or services	6
Proceeds from disposal of assets	6
Monetary gifts and bequests received	6
Reserves	6
IV. EXPENDITURE ON STAFF	6
Staff costs	7
Pay and conditions of service	7
Pensions; redundancy / compensation	7
V. NON-STAFF EXPENDITURE	8
Economic appraisal	8
Capital expenditure	8

Transfer of funds within budgets	9
Lending, guarantees, indemnities, contingent liabilities, letters of comfort	9
Grant or loan schemes	9
Gifts made, write-offs, losses and other special payments	9
Leasing	10
Public / Private Partnerships	10
Subsidiary companies and joint ventures	10
Financial investments	11
Unconventional financing	11
Commercial insurance	11
Payment / Credit Cards	11
Hospitality	11
Use of consultants	12
VI. MANAGEMENT AND DISPOSAL OF FIXED ASSETS	12
Register of assets	12
Disposal of assets	12
VII. BUDGETING PROCEDURES	12
Setting the annual budget	12
General conditions for authority to spend	13
Providing monitoring information to the sponsor Department	13
VIII. BANKING	13
Banking arrangements	13
IX. COMPLIANCE WITH INSTRUCTIONS AND GUIDANCE	14
Relevant documents (List to be reviewed)	14
REVIEW OF FINANCIAL MEMORANDUM	15
DELEGATED EXPENDITURE LIMITS	16

I. INTRODUCTION

1. This *Financial Memorandum* sets out certain aspects of the financial framework within which the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) is required to operate.
2. The terms and conditions set out in the combined *Management Statement* and *Financial Memorandum* may be supplemented by guidelines or directions issued by the sponsor Department/Minister in respect of the exercise of any individual functions, powers and duties of NILGOSC.
3. NILGOSC shall satisfy the conditions and requirements set out in the combined document, together with such other conditions as the sponsor Department/Minister may from time to time impose.

II. THE BODY'S INCOME AND EXPENDITURE - GENERAL

Total estimate of expenditure

4. Before the commencement of each financial year, NILGOSC shall prepare an estimate of the amount of its total expenditure for that year, and keep accounts of all financial transactions of the fund, in accordance with Regulation 29(1) of the Local Government Pension Scheme (Administration) Regulations (Northern Ireland) 2009.

Expenditure not proposed in the budget

5. NILGOSC shall not, without prior written Departmental approval, enter into any undertaking to incur any expenditure which falls outside NILGOSC's delegations. NILGOSC will notify the Department of any expenditure not provided for in NILGOSC's annual budget.

Procurement

6. NILGOSC's procurement policies shall reflect the public procurement policy adopted by the Northern Ireland Executive in May 2002 (refreshed May 2009); Procurement Guidance Notes and any other guidelines or guidance issued by Central Procurement Directorate (CPD) and the Procurement Board. NILGOSC procurement activity should be carried out by means of a Service Level Agreement with CPD or another recognised Centre of Procurement Expertise (CoPE) – this should ensure compliance with relevant UK, EU and international procurement rules.
7. Periodic reviews of NILGOSC's procurement activity should be undertaken. The results of any such review will be shared with the sponsor Department.

Competition

8. Contracts shall be awarded on a competitive basis and tenders accepted from suppliers who provide best value for money overall.
9. Single tender action is the process where a contract is awarded to an economic operator (ie supplier, contractor) without competition. In light of their exceptional nature, all single tender actions should be subject to NILGOSC Accounting Officer approval. Single Tender Actions over £5,000 should be subject to further approval by the NILGOSC Management Committee. It is advisable that NILGOSC seek an assurance from CPD/CoPE, or their legal adviser, to provide assurance for the Accounting Officer that the use of single tender action is legitimate in a particular case. Further information is published in Procurement Guidance Note 03/11 on the "Award of Contracts without a Competition". www.cpdni.gov.uk/index/guidance-for-purchasers/guidance-notes.htm .
10. NILGOSC shall send to the Department after each financial year a report for that year explaining any contracts above £5,000 in which competitive tendering was not employed.

Best Value for money

11. Procurement by NILGOSC of works, supplies and services shall be based on best value for money, i.e. the optimum combination of whole life cost and quality (or fitness for purpose) to meet NILGOSC's requirements. Where appropriate, a full option appraisal shall be carried out before procurement decisions are taken.

Timeliness in paying bills

12. NILGOSC shall collect receipts and pay all matured and properly authorised invoices in accordance with Annex 4.5 and 4.6 of Managing Public Money Northern Ireland and any guidance issued by DFP or the sponsor Department.

Novel, contentious or repercussive proposals

13. NILGOSC shall obtain the approval of the sponsor Department and DFP before:
 - incurring any expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including on staff benefits;
 - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the sponsor Department;

- making any change of policy or practice which has wider financial implications (e.g. because it might prove repercussive among other public sector bodies) or which might significantly affect the future level of resources required. (The sponsor Department will advise on what constitutes “significant” in this context).

Risk management/Fraud

14. NILGOSC shall ensure that the risks it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with the Treasury guidance *Management of Risk: A Strategic Overview* (“*The Orange Book*”).
15. NILGOSC shall take proportionate and appropriate steps to assess the financial and economic standing of any organisation or other body with which it intends to enter into a contract
16. NILGOSC shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with DFP’s guide *Managing the Risk of Fraud*.
17. All cases of attempted, suspected or proven fraud shall be reported to the sponsor Department who shall report it to DFP and the NIAO (see section 4.8 in the Management Statement) as soon as they are discovered, irrespective of the amount involved.

Wider markets

18. NILGOSC shall seek to maximise receipts from non-Government sources, provided that this is consistent with NILGOSC’s main functions and its corporate plan.

Fees and charges

19. Fees or charges for any services supplied by NILGOSC shall be determined in accordance with Chapter 6 of MPMNI.

III. THE BODY’S INCOME

Receipts from sale of goods or services

20. Receipts from the sale of goods and services (including certain licences where there is a significant degree of service to the individual applicant), rent of land, and dividends are credited to the pension fund.
21. If there is any doubt about the correct classification of a receipt, NILGOSC shall consult the sponsor Department, which may consult

DFP as necessary.

Proceeds from disposal of assets

22. Disposals of land and buildings are dealt with in Section VI below.

Monetary Gifts and bequests received

23. NILGOSC is free to retain any monetary gifts, bequests or similar donations subject to paragraph 24. These shall be capitalised at fair value on receipt and must be notified to the sponsor Department. The latest FReM requirements should be applied.
24. Before accepting a gift, bequest, or similar donation, NILGOSC shall consider if there are any associated costs in doing so or any conflicts of interests arising. NILGOSC shall keep a written record of any such gifts, bequests and donations and of their estimated value and whether they are disposed of or retained.

Reserves

25. NILGOSC is required under the Local Government Pension Scheme (Management and Investment of Funds) Regulations (Northern Ireland) 2000, as amended, to maintain a fund to provide for the payment of benefits to members. NILGOSC has a statutory duty to invest any money that is not required immediately to make payments from the fund.

IV. EXPENDITURE ON STAFF

Staff costs

26. Subject to its delegated levels of authority, NILGOSC shall ensure that the creation of any additional posts does not incur forward commitments which will exceed its ability to pay for them.

Pay and conditions of service

27. The remuneration of all NILGOSC employees, whether on permanent or temporary contract, including its Chief Officers, shall be determined by the Committee which will adopt the pay scales of the National Joint Council (NJC) for Local Government Services. The framework known as The Single Status Agreement, salary scales and conditions of service agreements will be as published in the Green Book.
28. Annual pay increases of NILGOSC staff must be in accordance with the annual FD letter on Pay Remit Approval Process and Guidance issued by DFP. Therefore, all proposed pay awards must have prior

approval of the sponsor Department and the Minister for Finance before implementation.

29. The travel expenses of Committee Members shall be tied to those determined by the Department under s36 of the Local Government Act (NI) 1972. Reasonable actual costs shall be reimbursed.
30. NILGOSC may operate a performance-related pay scheme which shall form part of the general pay structure.
31. NILGOSC shall comply with the EU directive on contract workers [Fixed Term Employees Regulations (Prevention of Less Favourable Treatment)].

Pensions; redundancy/compensation

32. NILGOSC's staff shall be eligible for a pension provided by admittance to the Local Government Pension Scheme (LGPS).
33. Staff may opt out of the occupational pension scheme provided by NILGOSC. However, the employer's contribution to any personal pension arrangement, including a stakeholder pension, shall normally be limited to the national insurance rebate level.
34. Any proposal by NILGOSC to move from the existing pension arrangements, requires the approval of the sponsor Department and DFP. Proposals on severance payments must comply with NILGOSC regulations where applicable.

V. NON-STAFF EXPENDITURE

Economic appraisal

35. NILGOSC is required to apply the principles of economic appraisal, with appropriate and proportionate effort, to all decisions and proposals concerning spending or saving public money, including European Union (EU) funds, and any other decisions or proposals that involve changes in the use of public resources. For example, appraisal must be applied irrespective of whether the relevant public expenditure or resources:
 - involve capital or current spending, or both;
 - are large or small;
 - are above or below delegated limits. (see Appendix A).
36. Appraisal itself uses up resources. The effort that should go into appraisal and the detail to be considered is a matter for case-by-case judgement, but the general principle is that the resources to be devoted to appraisal should be in proportion to the scale or

importance of the objectives and resource consequences in question. Judgement of the appropriate effort should take into consideration the totality of the resources involved in a proposal.

General guidance on economic appraisal that applies to NILGOSCs can be found in:

- DFP's on-line guide, *The Northern Ireland Guide to Expenditure Appraisal and Evaluation* ("NIGEAE", 2009). See <http://www.dfpni.gov.uk/eag>; and
- The HM Treasury Guide, *The Green Book: Appraisal and Evaluation in Central Government* (2003).

Capital expenditure

37. Subject to being above an agreed capitalisation threshold, all expenditure on the acquisition or creation of fixed assets shall be capitalised on an accruals basis in accordance with relevant accounting standards. Expenditure to be capitalised shall normally include the (a) acquisition, reclamation or laying out of land; (b) acquisition, construction, preparation or replacement of buildings and other structures or their associated fixtures and fittings; and (c) acquisition, installation or replacement of movable or fixed plant, machinery, vehicles and vessels.
38. Proposals for large-scale individual capital projects or acquisitions will normally be considered within NILGOSC's corporate and business planning process..
39. Approval of the corporate/business plan does not obviate NILGOSC's responsibility to abide by the economic appraisal process.
40. Within its approved overall resources limit NILGOSC shall, as indicated in the attached appendix on delegations, have delegated authority to spend on any individual capital project or acquisition..

Transfer of funds within budgets

41. Transfer of funds within budgets shall be in accordance with NILGOSC's Fund Account, as approved by the Committee.

Lending, guarantees, indemnities; contingent liabilities; letters of comfort

42. NILGOSC shall not, otherwise as where permitted by the Local Government Pension Scheme (Management and Investment of Funds) Regulations (Northern Ireland) 2000, as amended, without the Department's and where necessary, DFP's prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any other contingent liability (as defined in Annex 5.5 of MPMNI), whether or not in a legally

binding form.

Grant or loan schemes

43. Unless covered by a delegated authority, all proposals to make a grant or loan to a third party, whether one-off or under a scheme, together with the terms and conditions under which such grant or loan is made shall be subject to prior approval by the sponsor Department, and where necessary, DFP. If grants or loans are to be made under a continuing scheme, statutory authority is likely to be required.
44. The terms and conditions of a grant or loan to a third party shall include a requirement on the receiving organisation to prepare accounts and to ensure that its books and records in relation to the grant or loan are readily available for inspection by NILGOSC, the sponsor Department and the local government auditor.

Gifts made, write-offs, losses and other special payments

45. Proposals for making gifts or other special payments (including issuing write-offs) outside the delegated limits set out in appendix A to this document must have the prior approval of the sponsor Department and, where necessary, DFP.
46. Losses shall not be written off until all reasonable attempts to make a recovery have been made and proved unsuccessful.
47. Gifts by management to staff are subject to the requirements of DAO (DFP) 05/03.

Leasing

48. Any leasing arrangement entered into should be approved by NILGOSC's Committee.
49. Before entering into any lease (including an operating lease) NILGOSC shall demonstrate that the lease offers better value for money than purchase.

Public/Private Partnerships

50. NILGOSC shall seek opportunities to enter into Public/Private Partnerships where this offers better value for money than conventional procurement..
51. Any partnership controlled by NILGOSC shall be treated as part of NILGOSC in accordance with guidance in the FReM and consolidated with it [subject to any particular treatment required by the FReM]. Where the judgement over the level of control is difficult, the sponsor Department will consult DFP (who may need to consult

with the Office of National Statistics over national accounts treatment).

Subsidiary companies and joint ventures

52. NILGOSC shall not establish subsidiary companies or joint ventures without the express approval of the sponsor Department and DFP. In judging such proposals the sponsor Department will have regard to the Department's wider strategic objectives and current Public Service Agreement.
53. For public expenditure accounts purposes any subsidiary company or joint venture controlled or owned by NILGOSC shall be consolidated with it in accordance with guidance in the FReM subject to any particular treatment required by the FReM. Where the judgement over the level of control is difficult, the sponsor Department will consult DFP (who may need to consult with the Office of National Statistics over national accounts treatment). Unless specifically agreed with the sponsor Department and DFP, such subsidiary companies or joint ventures shall be subject to the controls and requirements set out in this *Management Statement and Financial Memorandum*, and to the further provisions set out in supporting documentation.

Financial investments

54. NILGOSC shall not, otherwise as where permitted by the Local Government Pension Scheme (Management and Investment of Funds) Regulations (Northern Ireland) 2000, as amended, make any investments in traded financial instruments without the prior written approval of the sponsor Department, and where appropriate DFP, nor shall it build up cash balances or net assets in excess of what is required for operational purposes. Equity shares in ventures which further the objectives of NILGOSC shall equally be subject to Departmental and DFP approval unless covered by a specific delegation.

Unconventional financing

55. NILGOSC shall not enter into any unconventional financing arrangement without the approval of the sponsor Department and DFP.

Commercial insurance

56. NILGOSC is permitted to take out commercial property insurance, employers' liability insurance, public liability insurance, travel insurance and any other insurance required to protect the security of the pension fund. NILGOSC shall not take out any other insurance without the prior approval of the sponsor Department and DFP, other than third party insurance required by the Road Traffic (NI) Order 1981 (as amended) and any other insurance which is a statutory

obligation or which is permitted under Annex 4.5 of MPMNI.

Payment/Credit Cards

57. NILGOSC, in consultation with the sponsor Department, shall ensure that a comprehensive set of guidelines on the use of payment cards (including credit cards), if used, is in place. Reference should be made to DAO (DFP) 24/02.

Hospitality

58. NILGOSC, in consultation with the sponsor Department, shall ensure that a comprehensive set of guidelines on the provision of hospitality is in place. Reference should be made to DAO (DFP) 10/06 (Revised).

Use of Consultants

59. NILGOSC shall adhere to the latest guidance issued by DFP, as well as any produced by the sponsor Department in relation to the use of consultants. Please see the delegated limits set out in the Appendix A
60. NILGOSC will provide the sponsor Department with an annual statement on the status of all consultancies completed and / or started in each financial year.
61. Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.

VI. MANAGEMENT AND DISPOSAL OF FIXED ASSETS

Register of assets

61. NILGOSC shall maintain an accurate and up-to-date register of its fixed assets.

Disposal of assets

62. NILGOSC shall dispose of assets which are surplus to its requirements. Assets shall be sold for best price, taking into account any costs of sale. Generally, assets shall be sold by auction or competitive tender (unless otherwise agreed by the sponsor Department), and in accordance with the principles in MPMNI.
63. All receipts derived from the sale of assets are paid into the pension fund.

VII. BUDGETING PROCEDURES

Setting the annual budget

64. Each year, a formal statement of the annual administration forecast income and expenditure and a statement of any planned change in policies affecting NILGOSC will be sent to the sponsor Department.
65. NILGOSC's annual Corporate and Business Plan will take account both of its approved funding provision and of any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and other income over the year. These elements will form part of the approved business plan for the year in question.

General conditions for authority to spend

63. NILGOSC shall comply with the delegations set out in Appendix A to this document. These delegations shall not be altered without further reference to the sponsor Department.
64. NILGOSC shall comply with the conditions set out in paragraph 12 above regarding novel, contentious or repercussive proposals.
65. NILGOSC shall provide the sponsor Department with such information about its operations, performance, individual projects or other expenditure as the Department may reasonably require (see paragraph 67 below); and
66. NILGOSC shall comply with NI Procurement Policy and carry out procurement via CPD or another recognised CoPE.

Providing monitoring information to the sponsor Department

67. NILGOSC shall provide the sponsor Department with details of its budget on a quarterly basis, for information:
 - NILGOSC's Corporate Plan, progress to date; and
 - Comparison of Actual Expenditure to Budget.

VIII. BANKING

Banking arrangements

68. NILGOSC's Accounting Officer is responsible for ensuring that NILGOSC's banking arrangements are in accordance with the requirements of Annex 5.7 of MPMNI. In particular, he/she shall ensure that the arrangements safeguard public funds and that their implementation ensures efficiency, economy and effectiveness.

69. He/she shall therefore ensure that:

- these arrangements are suitably structured and represent value-for-money, and are reviewed at least every three years, with a comprehensive review, usually leading to competitive tendering, at least every three to five years;
- sufficient information about banking arrangements is supplied to the sponsor Department's Accounting Officer to enable the latter to satisfy his/her own responsibilities (See Section 3.2 of the *Management Statement*);
- NILGOSC's banking arrangements shall be kept separate and distinct from those of any other person or organisation; and
- adequate records are maintained of payments and receipts and adequate facilities are available for the secure storage of cash.

IX. COMPLIANCE WITH INSTRUCTIONS AND GUIDANCE

Relevant documents (List to be reviewed)

70. NILGOSC shall comply with the following general guidance documents:

- This document (both the *Financial Memorandum* and the *Management Statement*);
- Managing Public Money Northern Ireland (MPMNI);
- Public Bodies – a Guide for NI Departments issued by DFP;
- *Public Sector Internal Audit Standards*, issued by DFP;
- The document, *Managing the Risk of Fraud*, issued by DFP;
- *The Treasury document The Government Financial Reporting Manual (FReM)* issued by DFP;
- Relevant DFP *Dear Accounting Officer* letters;
- Relevant *Dear Consolidation Officer* and *Dear Consolidation Manager* letters issued by DFP;
- *Regularity and Propriety*, issued by the Treasury;
- The Consolidation Officer Letter of Appointment, issued by DFP;

- Other relevant instructions and guidance issued by the central Departments (DFP/OFMDFM) including Procurement Board and CPD Guidance;
- Specific instructions and guidance issued by the sponsor Department;
- Recommendations made by the Public Accounts Committee, or by other Assembly authority, which have been accepted by the Government and which are relevant to NDPBs.

X. REVIEW OF FINANCIAL MEMORANDUM

71. The *Management Statement* and *Financial Memorandum* will normally be reviewed at least every five years or following a review of NILGOSC's functions as provided for in Section 7 of the *Management Statement*.
72. DFP Supply will be consulted on any significant variation proposed to the *Management Statement* and *Financial Memorandum*.

Signed:  Date: 31/7/13
 On behalf of the Northern Ireland Local Government Officers' Superannuation Committee

Signed:  Date: 5/8/13
 On behalf of the Department

DELEGATED EXPENDITURE LIMITS

General

These delegated expenditure limits have been agreed by the Department of the Environment and the Department of Finance and Personnel.

1. PURCHASING ALL GOODS AND SERVICES

Table 1 Delegated Authority for the Purchase of Goods and Services
(All costs exclude VAT)

THRESHOLDS	NUMBER/TYPE OF TENDER REQUIRED	AUTHORISATION
Up to £5,000	Purchases under £5,000 will be classified as procurement expenditure but they are not subject to the full range of procurement rules. However NILGOSC must ensure that all purchases below £5,000 are subject to normal value for money considerations and are in compliance with Managing Public Money Northern Ireland.	The Secretary to the Committee
£5,000 to £30,000	A minimum of two tenders invited by the person authorised to procure for NILGOSC in accordance with a Service Level Agreement with a CoPE; or A tender process undertaken by a CoPE.	The Secretary to the Committee
> £30,000 < EU Thresholds	Advertise on eSourcingNI unless otherwise recommended by the CoPE/CPD Tender process must be conducted in line with Procurement Guidance Note 05/12:	The Secretary to the Committee

	Procurement of Goods, Works and Services Over £30,000 and Below EU Thresholds.	
> EU thresholds	Advertise on eSourcingNI unless otherwise recommended by the Cope/CPD. EU Directives apply –advertise in OJEU.	Committee

Economic Appraisal

The principles of economic appraisal should be applied in all cases where expenditure is proposed, whether the proposal involves capital or current expenditure, or both. The effort put into economic appraisal should be commensurate with the size or importance of the needs or resources under consideration. However, NILGOSC should undertake a comprehensive business case of all projects involving expenditure of £250,000 and over.

Where the minimum number of quotation / tenders is not obtained

Where NILGOSC is unable to obtain a sufficient number of tenders, it shall take advice from Central Procurement Directorate or a Centre of Expertise in Procurement.

2. CAPITAL PROJECTS

The Secretary to the Committee may authorise capital expenditure on discrete capital projects of up to £75,000. Capital projects over £75,000 are subject to approval of the Management Committee and may be subject to quality assurance by the Department of Finance and Personnel if requested. Any novel and / or potentially contentious projects, regardless of the amount of expenditure, require the approval of the sponsor Department and DFP.

3. APPROVAL OF INFORMATION TECHNOLOGY PROJECTS

The appraisal of Information Technology (IT) projects should include the staffing and other resource implications.

The principles of appraisal, evaluation and management apply equally to proposals supported by information communication technology (ICT) as to all other areas of public expenditure. ICT-enabled projects should be appraised and evaluated according to the general guidance in the Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE) and managed using the new Successful Delivery

(NI) guidance which was issued in June 2009.

The purchase of IT equipment and systems should be in line with guidance on Procedures and Principles for Application of Best Practice in Programme / Project Management (PPM), (available at www.dfpni.gov.uk/successful-delivery) and be subject to competitive tendering unless there are convincing reasons to the contrary. The form of competition should be appropriate to the value and complexity of the project, and in line with the Procurement Control Limits in Table 1. Delegated authority for each IT project is set out in Table 2.

Table 2 Delegation Arrangements for Information Technology Projects, Systems and Equipment

(All costs exclude VAT)

THRESHOLDS	AUTHORISATION
Up to £100,000	Secretary to the Committee
Projects over £100,000	Management Committee

4. ENGAGEMENT OF CONSULTANTS

NILGOSC has authority to appoint consultants for a single contract subject to any guidance as may be issued by DFP. Each separate engagement of external consultants expected to cost over £75,000 must have prior approval from the sponsor Department.

Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.

NILGOSC will provide the sponsor Department with an annual statement on the status of all consultancies completed and / or started in each financial year.

Economic appraisal

A full business case should be prepared for all consultancy assignments expected to exceed £10,000. A proportionate business case should be prepared for all assignments below this threshold. Section 5 of the guidance note attached to FD (DFP) 04/09 explains the nature of the required business case.

5. LOSSES AND SPECIAL PAYMENTS

The Committee will have the authority to write off losses and make special payments in respect of:

Write-off of Losses

Cash losses (up to £1,000 per case / incident)

Stores / Equipment losses (up to £1,000 per case / incident)

Constructive losses and fruitless payments (up to £2,000 per case)

Pension Overpayments – irrecoverable after debt recovery procedures - not including cases of suspected fraud (up to £5,000 per case)

Other Pension Overpayments as a result of payments made to deceased members (up to £500 per case)

Compensation payments

- i made under legal obligation, eg by Court Order (up to £20,000)
- ii where written legal advice is that NILGOSC should not fight a court action because it is unlikely that it would win (up to £20,000)
- iii claims abandoned or waiver of claim (up to £5,000 per case)
- iv extra contractual payments (up to £5,000 per case)
- v non – consolatory ex gratia payments, including payments for damage to personal property (up to £1,000 per case).
- vi consolatory payments/ financial remedy payments (up to £250)
- vii special severance payments – no delegation, all proposals must be submitted to the sponsor department for approval.
- viii extra statutory and extra regulatory payments – no delegation, all proposals must be submitted to the sponsor department for approval.

The prior approval of the sponsor Department must be obtained for amounts above these values.

Where total losses exceed £10,000 in any financial year, an explanatory note should be included in the NILGOSC accounts.

Details of all losses and special payments should be recorded in a Losses and Special Payments Register, which will be available to auditors. The Register should be kept up to date and should show evidence of the approval by the Secretary of the Committee and the sponsor Department where appropriate.

NORTHERN IRELAND LOCAL GOVERNMENT OFFICERS' SUPERANNUATION COMMITTEE

FINANCIAL MEMORANDUM

The sub-headings listed under the main headings below have been excluded from the financial memorandum framework for the reasons provided:

THE BODY'S INCOME AND EXPENDITURE – GENERAL

The Departmental Expenditure Limit (DEL)

- the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) resource consumption scores against the Departmental Expenditure Limit (DEL) however the impact on DEL will be nil as NILGOSC is not funded by the Department.

THE BODY'S INCOME

Grant-in-aid

- NILGOSC does not receive any funds or grants from Central Government.

Fines and taxes as receipts

- NILGOSC does not impose fines or taxes.

Build-up and draw down of deposits

- NILGOSC does not have a build up of deposits.

Receipts from the EC

- NILGOSC is not in receipt of EU Funds.

Borrowing

- NILGOSC does not have borrowing powers.

NON-STAFF EXPENDITURE

Virement

- NILGOSC's budget is not approved by the sponsor Department and therefore virement does not apply.

MANAGEMENT AND DISPOSAL OF FIXED ASSETS

Recovery of grant-financed assets

- NILGOSC does not have any grant financed assets.

BUDGETING PROCEDURES

General conditions for authority to spend

- the Department does not approve NILGOSC's budget