NILGOSC
NORTHERN IRELAND LOCAL GOVERNMENT OFFICERS' SUPERANNUATION COMMITTEE

COMMITTEE KNOWLEDGE AND UNDERSTANDING FRAMEWORK

April 2026

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Committee Knowledge & Understanding Framework

Introduction

The *Committee Knowledge & Understanding Framework* is based on the *Local Government Pension Scheme (England and Wales) Guidance on Fund Governance*, the Pensions Regulator's (TPR)*Trustee Knowledge and Understanding Scope Guidance and General Code of Practice and* CIPFA's *Pensions Knowledge & Skills Framework.*

Knowledge & Understanding Requirements

Pension board members must be sufficiently conversant with the scheme rules, documented administration policies, the law relating to pensions funding and investment matters currently in force for the scheme. TPR defines being conversant as having a working knowledge of the scheme regulations and policies, so that pension board members can use them effectively when carrying out their duties. This acknowledges the difference in knowledge and understanding required of a non-executive director and those with executive responsibilities.

Assessment & Learning

TPR advises that pension board members should invest sufficient time in their learning and development alongside their other responsibilities and duties. It also recommends that pension board members should undertake a personal training needs analysis and regularly review their skills, competencies, and knowledge to identify any gaps or weaknesses and use a training plan to address these.

NILGOSC has an agreed annual CPD target of 40 hours per year for Committee Members and a training template which sets out what types of training and development count towards this target. A training needs assessment is completed on an annual basis and Committee Members are provided with opportunities to undertake relevant learning and development opportunities. Committee Members are required to complete the TPR Public Service Toolkit, an online training programme. Training records are maintained by the Governance Team and updates are issued quarterly to ensure these remain up to date.

1. Pensions Legislation and Guidance

1.1 The Local Government Pension Scheme Regulations

Including:

- any subsequent amending documents
- the duties, powers and discretions of the Committee
- the balance of power between employers and the Committee, including when it is appropriate to exercise various Committee powers
- categories of members in the scheme, including eligibility for membership
- benefits offered, including the circumstances, both current and historic, under which they are payable, how they are calculated and how the payments are made
- Departmental Guidance

1.2 Occupational pensions' legislation

Including:

- key provisions of the Public Service Pensions Act (NI) 2014 and intervening acts and regulations.
- outline of proposals for major legislative change already approved by the Government

1.3 The tax privileges and requirements for occupational pension schemes.

Including the relevant provisions of the Finance Act 2004, e.g. those which:

- set the conditions to be met by a Registered Pension Scheme

- allow personal pensions and occupational pensions to be run concurrently

1.4 Dispute resolution

Including:

- Internal Disputes Resolution Procedure.
- The role of the Money and Pensions Service, the Northern Ireland Public Service Ombudsman and the Pensions Ombudsman.

1.5 The interface between occupational schemes and state pension provision

Including the implications of contracting out and the relationship between pension scheme benefits and means-tested state benefits.

1.6 The obligation on employers to offer a qualifying scheme for all employees from 2012

Including the conditions for meeting the requirements for a qualifying scheme, covering such matters as:

- automatic enrolment of members
- minimum contribution rates
- eligibility for membership
- the definition of pensionable pay

1.7 An understanding of how the roles of TPR, MPS, the Pensions Ombudsman and the Northern Ireland Ombudsman relate to the workings of the scheme

- when and in what circumstances NILGOSC should report to TPR and co-operate with any of these organisations.
- TPR General Code of Practice and guidance
- The powers to issue contribution notices
- the power to use enforcement action against the Committee for failure to comply with legal requirements under pension legislation

2. Pensions Governance

2.1 The definition and nature of NILGOSC as an NDPB

Including the nature of NILGOSC as defined by the Local Government (Superannuation) Act 1950 and subsequent regulations and the role of the sponsor department including the Partnership Agreement.

2.2 Committee powers

Including:

a) The power to:

- delegate functions while retaining responsibility
- authorise signatories for payments
- exercise certain discretions
- invest scheme assets

b) The limitations and conditions imposed by the regulations and relevant legislation

c) The effect of legislation

2.3 Role, responsibilities and duties of a pension board member under the TPR General Code of Practice

Including:

- the role and remit of TPR

- the role, responsibilities and duties of a pension board, scheme manager and scheme advisory board
- how TPR's General Code of Practice can assist the Committee with running an effective and efficient scheme

2.4 Taking office

Including the particular requirements and the implications of joint liability, personal duties and responsibilities, and the following of Standing Orders and the Delegations of Authority.

2.5 Conflicts of interest

- NILGOSC Conflict of Interest Policy
- Code of Conduct for Committee Members
- how to disclose potential or actual conflicts of interest
- how to monitor and discuss the risk of potential or actual conflicts of interest
- Understanding of the situations which gave give rise to conflicts

2.6 Knowledge and understanding required by pension board members

Understanding the need to acquire, review, and update knowledge and understanding through the training needs assessment process

2.7 Knowledge of Scheme Documents

- Terms of reference of the Management Committee and any sub-committee
- Job descriptions for the Chairperson and for the Committee
- Any Committee approved procedures, including the internal disputes resolution procedure, conflicts of interest and risk management
- Minutes of meetings, including policy decisions recorded in them and the requirement to publish minutes of Committee (pension board) meetings on the website
- Committee Member skills audit, training needs analysis and training log

2.8 The role of advisers and suppliers to NILGOSC

Including appointment of:

- officers
- actuaries
- custodians
- fund managers
- investment consultants
- investment managers
- providers (as appropriate)

3. Funding Strategy and Actuarial Methods

3.1 How the funding for occupational defined benefit (DB) pension arrangements works in general and specifically for NILGOSC

Including different funding bases and their purpose

3.2 How liabilities are valued for different purposes

Including:

- the significance of future cash flows
- the importance of assumptions and their impact
- the volatility of the value of liabilities

3.3 How the market value of assets is assessed

3.4 Funding Measures
Including:
- the measurement of liabilities
- the setting of contributions (e.g. recovery plan in the event of deficit)

3.5 Potential risks to the ability of the scheme to pay benefits
Including:
- the financial instability of any scheme employer
- corporate restructuring (e.g. councils)
- transferring liabilities to a new employer
- unusually high salary increases
- the volatility of assets relative to liabilities

3.6 The importance of complete, accurate and up-to-date data and calculations
Including the need for robust processes and systems

3.7 The impact of Committee powers
Including the financial impact of exercising discretions

3.8 The nature and status of professional advice

3.9 Transfers and bulk transfers in and out of schemes
Including the responsibility of NILGOSC to decide upon the calculation of transfer values

3.10 A broad understanding of the implications of admitting new employers into the Fund and of the cessation of existing employers
Including policies on the admission and exit of employers.

3.11 Awareness of the importance of monitoring early and ill-health retirement strain costs

3.12 The Funding Strategy Statement (FSS)
Including:
- responsibilities for preparing the FSS
- the scheme's statutory funding objective
- contents of the FSS
- Monitoring the FSS, including regular monitoring and special review in the event of a change to the status of the scheme

3.13 Knowledge of Scheme Documents
- Contents of the most recent Actuarial valuation and subsequent actuarial advice. To include the valuation report and recovery plan (if appropriate).

4. Pensions Administration and Communications

4.1 Record-keeping
Including:
- the record-keeping process

- how the required records of scheme members' data, transactions and pension board decisions are kept
- who is involved in record-keeping and their role
- the role of the Committee in relation to record-keeping
- policies and procedures relating to the collection and maintenance of data

4.2 Maintaining Contributions

Including:

- any policies and procedures on maintaining scheme contributions
- how employer and employee payment contributions will be monitored and recorded
- how late or failed payments which are likely to be of material significance to TPR will be reported
- The role of NILGOSC in maintaining contributions and notifying TPR of late or failed payments

4.3 Communicating with members and employers

Including:

- what information must be provided to members about the administration of the scheme and their benefits
- how that information will be provided to members
- who is involved in member communications

4.4 Publishing scheme information

Including:

- what information needs to be published about the pension board
- how that information is to be recorded and published
- the role of NILGOSC regarding the publication of that information

4.5 The law relating to internal controls and sound administration

Including the obligation to administer the scheme in accordance with legal and regulatory requirements. This includes controls relating to financial transactions such as the receipt and investment of contributions and the payment of benefits.

4.6 Reporting breaches of the law

Including:

- Breach Reporting Policy
- how to identify breaches of the law
- how breaches of the law will be assessed
- how breaches of the law likely to be of significance to TPR will be reported
- the responsibility of Committee Members to report breaches
- who else is under a duty to report breaches

4.7 Knowledge of Scheme Documents

- the Pension Administration Strategy
- the Communications Policy
- Scheme booklet, announcements and other member communications
- Policy statements on the exercise of discretionary functions
- the Information Security Policy and cyber risk mitigation procedures
- The Publication Scheme, including the process for responding to Freedom of Information requests

5. Pensions Financial Strategy, Management, Accounting, Reporting and Audit Standards

5.1 Corporate Planning Process

Including:

- Triennial review of Mission, Values, Aims and Objectives
- Annual Business Plan
- Monitoring and Reporting

5.2 Financial Planning

Including:

- Setting of the Administration budget
- Monitoring and Reporting

5.3 The Accounts & Audit Regulation

Including legislative requirements relating to the role of the Committee in considering the annual report and accounts.

5.4 The role of the auditors

Including internal and external auditors

5.5 Knowledge of Scheme Documents

- The Corporate Plan
- Any stewardship reports, including compliance issues
- Unless delegated to an Audit Committee, Internal audit reports or reports of alternative internal checks, including checks on the adequacy and robustness of systems and on calculations used in individual member communications
- Annual report and accounts for the scheme.

6. Investment Objectives and, Strategic Asset Allocation

6.1 The Statement of Investment Principles (SIP)

Including:

- roles and responsibilities for preparing the SIP
- the scheme's investment objectives and asset allocation strategy
- the contents of the SIP, including legal and regulatory requirements covering the contents of the SIP
- monitoring and updating the SIP as appropriate
- the Statement of Responsible Investment and Climate Risk Statement
- any policies the Committee has adopted about stewardship of investments, environmental, social and governance matters and climate change
- Statement of compliance with the Myners' Principles (where appropriate)

6.2 Fiduciary duties

Including the obligation to act prudently, taking into account the needs of all beneficiaries.

6.3 Capital markets

Including, in broad terms, the effect of economic cycles

6.4 The major asset classes and their characteristics

- Equities
- Bonds
- Property
- Cash

6.5 The implications of overseas investment

Including foreign exchange risk and political risk

6.6 The balance between risk and reward

- the nature of risk
- risk/reward profile of each major asset class
- basic principles of matching assets to liabilities (defined-benefit)
- basic principles of managing risk by diversification of asset classes

6.7 The process of strategic asset allocation

Including the importance of selecting an appropriate mix of asset classes and taking account of the correlation between them NILGOSC's investment objectives

6.8 The characteristics of Alternative asset classes and financial instruments

Including Infrastructure and Private Equity

6.9 Reviewing asset allocation decisions

Including regular review and the response to any change in the maturity or status of the scheme

6.10 The structure of investment portfolios

Including such matters as:

- active vs. passive management
- pooled funds vs. segregated portfolios
- rebalancing portfolios
- investment style

6.11 The selection of fund managers

Including an understanding of procurement requirements and different approaches for appraising different investment opportunities, e.g. Infrastructure Funds

6.12 Investment mandates

Including an understanding of the nature of the contract between NILGOSC and its investment managers, and the fee structures and charges

6.13 The mechanisms for monitoring investment arrangements and fund managers

Including:

- reports from fund managers
- Measurement of performance including the use of indices, benchmarks, and targets
- implications of changes within the fund manager's organisation
- compliance with the statement of investment principles (SIP)
- the completeness and accuracy of records
- the calculation and the impact of charges and fees
- management of any transition of assets between one manager and another

6.14 AVC Investment Choices & Risk

Including the principles relating to the choice of AVC investments and the implications for members of the investment strategy adopted by NILGOSC:

- whether or not NILGOSC offers investment choices to members
- the range of investment choices where they are offered
- the suitability of the investments for the membership
- the implications of a default investment fund
- the implications of life styling as a default option
- the importance of member understanding of investment risk

6.15 The importance of sound custody arrangements

Including adequate monitoring and correct record-keeping

6.16 The importance of responsible ownership of assets

Including:

- the extent to which environmental, social and ethical considerations are taken into account when making investment decisions
- the corporate governance of the companies in which NILGOSC invests
- the extent to which (if at all) NILGOSC will exercise its voting rights

7. Risk Management

7.1 Risk management and internal controls

Including:

- Risk Management Policy, including risk appetite and the risk register
- the internal controls in place and how they are managed
- how risk assessments are documented
- how possible fraudulent activity is identified and managed
- who is involved in internal controls and risk management and their role
- the role of the Committee in relation to internal controls and risk management

8. Pension Services Procurement, Contract Management and Relationship Management

8.1 NILGOSC's Procurement Policy

Including an understanding of:

- the values and scope of public procurement
- The role of the Centre of Procurement Expertise and NILGOSC's use of it.
- The main public procurement requirements of UK and EU legislation.
- The policy on the acceptance of gifts and hospitality.
- Any other significant agreement or contract, including those with delegated authorities or professional advisers and suppliers of services, e.g. contracts of appointments, service level agreements

9. Key Skills and Behaviours

9.1 Fitness and propriety to act as a Committee Member

Including the need for:

- an appreciation of the full range of duties.
- appropriate knowledge and understanding.
- preparation for and regular attendance at meetings.
- knowledge of the circumstances in which a person is disqualified from taking office.
- Nolan Principles
- Committee Code of Conduct.