



Department for
Communities

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Partnership Agreement between the Department for Communities and Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC)

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Introduction

1. The Partnership Agreement

- 1.1 This document sets out the partnership arrangements between the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) and the Department for Communities (the Department). It explains the overall governance framework within which NILGOSC operates, including the framework through which the necessary assurances are provided to stakeholders. Roles/responsibilities of partners within the overall governance framework are also outlined.
- 1.2 The partnership is based on a mutual understanding of strategic aims and objectives; clear accountability; and a recognition of the distinct roles each party contributes. Underpinning the arrangements are the principles set out in the NI Code of Good Practice **'Partnerships between Departments and Arm's-Length Bodies'** which should be read in conjunction with this document. The principles which are laid out in the code are:

LEADERSHIP

Partnerships work well when Departments and Arm's Length Bodies demonstrate good leadership to achieve a shared vision and effective delivery of public services. Strong leadership will provide inspiration, instil confidence and trust and empower their respective teams to deliver good outcomes for citizens.

PURPOSE

Partnerships work well when the purpose, objectives and roles of Arm's Length Bodies and the sponsor department are clear, mutually understood and reviewed on a regular basis. There needs to be absolute clarity about lines of accountability and responsibility between departments and Arm's Length Bodies. In exercising statutory functions Arm's Length Bodies need to have clarity about how their purpose and objectives align with those of departments.

ASSURANCE

Partnerships work well when departments adopt a proportionate approach to assurance, based on Arm's Length Bodies' purpose and a mutual understanding of risk. Arm's Length Bodies should have robust governance arrangements in place and in turn departments should give Arm's Length Bodies the autonomy to deliver effectively. Management information should be what is needed to enable departments and Arm's Length Bodies to provide assurance and assess performance.

VALUE

Partnerships work well when departments and Arm's Length Bodies share knowledge, skills and experience in order to enhance their impact and delivery. Arm's Length Bodies are able to contribute to policy making and departmental priorities. There is a focus on innovation, and on how departments and Arm's Length Bodies work together to deliver the most effective policies and services for its customers.

ENGAGEMENT

Partnerships work well when relationships between departments and Arm's Length Bodies are open, honest, constructive and based on trust. There is mutual understanding about each other's objectives and clear expectations about the terms of engagement.

A full copy of the NI Code can be found at Annex 8. The Code does not override any provisions governing relationships between departments and Arm's Length Bodies that might exist in statute, or other formal arrangements. In all cases, these existing provisions take primacy.

- 1.3 This document should also be read in conjunction with guidance on proportionate autonomy which provides an outline of the principles and characteristics for proportionate autonomy (See DAO (DoF) 06/19). Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance to be established between NILGOSC and the Department and this is reflected in this agreement.
- 1.4 The Department and NILGOSC are committed to:
- working together within distinct roles and responsibilities;
 - maintaining focus on successful delivery of Programme for Government outcomes and Ministerial priorities (see also paragraph 2.10);
 - maintaining open and honest communication and dialogue;
 - keeping each other informed of any issues and concerns, and of emerging areas of risk;
 - supporting and challenging each other on developing policy and delivery;
 - seeking to resolve issues quickly and constructively; and
 - acting at all times in the public interest, the scheme beneficiaries' interest and in line with the values of integrity, honesty, objectivity and impartiality.
- 1.5 The Department and NILGOSC will prepare an Engagement plan. The plan outlines the key areas of engagement between the Department and NILGOSC during the year.
- 1.6 The effectiveness of the partnership and the associated Engagement Plan will be reviewed each year by the Department and NILGOSC to assess whether the partnership is operating as intended and to identify any emerging issues/opportunities for enhancement. This can be carried out as part of existing governance arrangements. The Partnership Agreement document itself will be reviewed formally by the Chief Executive of NILGOSC and the G5 in the Department at least once every three years to ensure it remains fit for purpose and up-to-date in terms of current governance frameworks. The formal review will be proportionate to NILGOSC's size and overall responsibilities and the revised partnership agreement, if appropriate, will be published on the departmental and NILGOSC websites as soon as practicable following agreement by the Committee, Accounting Officer and Department.
- 1.7 A copy of this agreement has been placed in the Assembly Library and is available on the websites of the Department and NILGOSC.

NILGOSC Establishment and Purpose

2. Statutory Purpose and Strategic Objectives

2.1 NILGOSC is an executive non-departmental public body (NDPB) established on 1 April 1950 by the Local Government (Superannuation) Act (Northern Ireland) 1950 to administer and maintain a fund providing pension benefits for employees of local government and other admitted bodies. The Public Service Pensions Act (Northern Ireland) 2014 (the 2014 Act) provides a framework containing the core provisions for public service pensions including the Local Government Pension Scheme (Northern Ireland) (LGPS (NI)). The 2014 Act sets out the arrangements for the governance, design and administration of the LGPS (NI). The rules of the LGPS (NI) are set out in the subordinate legislation made under the powers contained in the 2014 Act. The current statutory rules for the LGPS (NI) are –

- The Local Government Pension Scheme Regulations (NI) 2014 (SR 2014 No. 188) (“the Principal Regulations”); and
- The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (NI) 2014 (SR 2014 No.189) (“the Transitional Regulations”).

2.2 Section 4 of the 2014 Act, requires scheme regulations to specify a scheme manager. Regulation 60 of and Schedule 3 to the Principal Regulations specifies NILGOSC as the scheme manager. It also sets out the constitution and powers of NILGOSC. Under paragraph 1 of Part 2 of Schedule 3 of those Regulations, NILGOSC is specified as “a body corporate with perpetual succession and a common seal, and with the capacity to acquire and hold land.”

2.3 NILGOSC is financed solely by contributions from scheme members and employers, through the fund. It is not funded through Grant in Aid from the Department. Regulation 5 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations (NI) 2000 specifies the sums NILGOSC must pay or credit to and may pay from the fund, this includes the cost of managing and administering the fund.

2.4 NILGOSC is designated as an executive NDPB because it operates at arm’s length from the Minister for Communities but the Minister is accountable to the Assembly for the overall performance and delivery of NILGOSC. The Minister for Communities also approves NILGOSC’s strategic objectives, appoints the Chair and Non-Executive Board and NILGOSC seeks approval from the Department on appointment of the Chief Executive and Secretary.

- NILGOSC produce their own accounts, with the administration expenses consolidated within the Department's accounts. The Department lays a copy of NILGOSC's annual report before the Assembly.
- 2.5 In 2018 the Department of Finance (DoF) was asked to review NILGOSC's classification as an Executive NDPB. DoF confirmed NILGOSC as an Executive NDPB. The Office for National Statistics (ONS) classification guide provides that NILGOSC is an Executive NDPB and part of the central government sector for administration purposes. The ONS base their classification decisions on the specifics of the legislative relationship between a body and its Sponsor Department. As well as the power to appoint NILGOSC committee members the Department has a range of statutory powers and duties in relation to NILGOSC.
- 2.6 NILGOSC's classification as an NDPB means that they are subject to the financial and oversight requirements which result from this under Managing Public Money NI (MPMNI) and related DoF policy and guidance. A list of other applicable guidance and instructions which NILGOSC is required to follow is set out in Annex 6.
- 2.7 For national accounts purposes NILGOSC is classified to the local government sector.
- 2.8 The Executive's outcome-based approach to delivery recognises the importance of arm's length bodies and departments working collaboratively and together in a joined-up approach to improve overall outcomes and results.
- 2.9 The strategic aims of NILGOSC are:
- to administer a pension scheme for local government and other admitted bodies; and
 - to manage and maintain a fund out of which scheme benefits can be met.
- 2.10 There is strategic alignment between the aims, outcome and objective of NILGOSC and the Department.
- 2.11 As the Pension Scheme Administrator, the fiduciary duty to manage the Fund in the long-term interests of beneficiary's rests with the NILGOSC Board and Chief Executive, rather than the Department, as the Board sets the investment strategy. As set out in NILGOSC's Statement of Investment Principles, NILGOSC's overriding obligation is to act in the best interests of the fund beneficiaries. NILGOSC aims to invest the assets of the fund prudently, ensuring an appropriate balance between risk and return so that the benefits promised to members can be provided, which includes the risk that environmental, social and governance (ESG) factors negatively impact the value of investments held if not understood and evaluated properly.

3. Organisational Status

3.1 NILGOSC is a legal entity in its own right, employing its own staff and operating at arm's-length from the Department. As a legal entity it must comply with all associated legislation, including legislation relating to its employer status. NILGOSC is a corporate body with perpetual succession and the capacity to acquire and hold land.

3.2 NILGOSC's key purpose is to administer the Local Government Pension Scheme (NI) (LGPS (NI)) in compliance with statutory regulations made by the Department. NILGOSC is also required to comply with such UK regulators as The Pensions Regulator, Financial Conduct Authority, Competitions and Markets Authority, the Pensions Ombudsman and a range of wider UK and International legislation as noted below.

3.3 The Pensions Regulator (TPR) is the UK regulator of work-based pension schemes, giving guidance to trustees, employers, pension specialists and business advisers on what is expected of them. They have regard to the Regulators' Code and the principles of good regulation set out in the Legislative and Regulatory Reform Act 2006. That is to be: proportionate, accountable, consistent, transparent and targeted (PACTT). They track and evaluate performance against these principles.

3.4 The Financial Conduct Authority (FCA)'s remit is set by the Financial Services and Markets Act 2000 (FSMA) and it is

accountable to HM Treasury and to Parliament. The FCA is responsible for regulating the areas where individuals access personal (contract-based) pensions, either directly or in the workplace. The FCA also has significant regulatory responsibilities for firms that provide supporting products and services for pensions, such as advice and asset management. Their regulation is principles based and FCA work to promote the public interest through their following objectives:

- Enhancing trust in markets
 - Improving how markets operate
 - Delivering benefits through a common approach to regulation
 - Working to prevent harm from occurring
 - Helping put things right when they go wrong
- 3.5 The FCA also works with The Pensions Regulator (TPR) to address risks and harms in the pensions and retirement income sector and help ensure the best possible outcomes for consumers. Their joint regulatory strategy with TPR is to ensure that:
- Pension and retirement income products support people to increase their financial provision for later life
 - Pensions are well-funded and invested appropriately
 - Pensions are well-governed, well-run and deliver value for money
 - People access helpful information, guidance and advice that enables them to make well-informed decisions

3.6 The primary function of the Pensions Ombudsman is handling pension complaints and disputes. They are an independent organisation set up by law and they work within legislation set down by parliament. They can investigate complaints about NILGOSC into the following:

- Taking too long to do something without good reason
- Failing to do something they should have
- Not following their own rules or the law
- Breaking a promise
- Giving incorrect or misleading information
- Not making a decision in the right way

3.7 NILGOSC is not Government funded and falls outside of Whole of Government Accounting.

4. Governance Framework

4.1 A key governance provision from the Public Services Pensions Act (NI) 2014 (the 2014 Act) is the requirement for NILGOSC to “prepare, maintain and publish” a Governance Policy Statement setting out details of its statutory functions and the manner in which the Committee has chosen to delegate its statutory functions and to update this where amendments are made. This is currently published on the NILGOSC website and contains a Delegation of Authorities document.

4.2 NILGOSC has an established Corporate Governance Framework which reflects all relevant good practice guidance.

The framework includes the governance structures established within NILGOSC and the internal control and risk management arrangements in place. This includes its Management Committee and Sub-Committees structure.

4.3 An account of this is included in NILGOSC’s annual Governance Statement. On 19 April 2013, DoF issued the updated ‘Corporate Governance in Central Government Departments: Code of Practice NI 2013’ with DAO (DFP) 06/13. The Code is written for central departments and, as such, is not entirely relevant to NILGOSC as a NDPB. However, all NDPBs are encouraged to consider and adopt the practice set out in the Code wherever it is relevant and practical and suits their business needs.

4.4 The Governance Statement describes how these duties have been carried out through the year and includes accounts of NILGOSC’s corporate governance and risk management systems and processes. The Governance Statement has been drafted in line with the guidance set out in annex 3.1 of MPMNI and has taken into consideration recommendations from the Northern Ireland Audit Office in respect of its review of Governance Statements from 2012/13. The Governance Statement is a live document until sign off of the Annual Report and Accounts and some areas highlighted will require update before being finalised.

4.5 NILGOSC is required to follow the principles, rules, guidance and advice in Managing Public Money Northern Ireland. A list of other applicable guidance and instructions which NILGOSC is required to follow is set out in Annex 6.

5. NILGOSC Management Committee

5.1 NILGOSC is led by its Management Committee, which has been designated as the Pension Board, of which the non-executive members are appointed by the Minister for Communities. The Committee shall consist of 5 representatives of Scheme employers, 5 members representative of employees affected by the Local Government Pension Scheme Regulations (Northern Ireland) 2014 and 2 independent members. The appointment process for non-executive Board members complies with the Code of Practice on Public Appointments for Northern Ireland.

5.2 As Public Appointees, Committee members are office holders rather than employees. They are not subject to employee terms and conditions. Committee appraisal arrangements are set out in paragraph 16.5 and matters for consideration in dealing with concerns/complaints in respect of Committee members are provided in Annex 5.

5.3 The Committee's terms of reference provide further detail on roles and responsibilities which align closely with this Partnership Agreement.

5.4 The purpose of the NILGOSC Committee is to provide effective leadership and strategic direction to the organisation and to ensure that the strategic objectives approved by the Minister for Communities are implemented. It is responsible for ensuring that the organisation has effective and proportionate governance arrangements in place and an internal control framework which allow risks to be effectively identified and managed. The Committee will set the culture and values of the organisation and set the tone for the organisation's engagement with stakeholders and customers.

5.5 The Committee is responsible for holding the Chief Executive and Secretary to account for the management of the organisation and the delivery of agreed plans and outcomes. The Committee should also, however, support the Chief Executive and Secretary as appropriate in the exercise of their duties.

5.6 Committee members act solely in the interests of NILGOSC and must not use the Committee as a platform to champion their own interests or pursue personal agendas. They occupy a position of trust, and their standards of action and behaviour must be exemplary and in line with the seven principles of public life (Nolan principles). NILGOSC has a Committee Code of Conduct and a separate Conflict of Interests policy. A Committee Register of Interests is maintained, kept up to date and is publicly available to help provide transparency and promote public confidence in NILGOSC. Board members of public bodies must work

to the highest personal and professional standards. The Cabinet Office's code of conduct clearly and openly sets out the principles and standards which all non-executive board members of UK public bodies are expected to observe.

- 5.7 Communication and relationships within the Committee are underpinned by a spirit of trust and professional respect. The Committee recognises that using consensus to avoid conflict or encouraging members to consistently express similar views or consider only a few alternative views does not encourage constructive debate and does not give rise to an effective Committee dynamic.
- 5.8 It is for the Committee to decide what information it needs, and in what format, for its meetings/effective operation. If the Committee is not confident that it is being fully informed about the organisation this will be addressed by the Chair of the Committee as the Committee cannot be effective with out-of-date or only partial knowledge.
- 5.9 In order to fulfil their duties, Committee members must undertake initial training, and regular ongoing training and development. Review of Board skills and development will be a key part of the annual review of Board effectiveness.

6. Audit and Risk Assurance Committee

- 6.1 A further important aspect of NILGOSC's governance framework is its Audit and Risk Assurance Committee, established in line with the extant Audit and Risk Assurance Committee Handbook (NI).
- 6.2 The Audit and Risk Assurance Committee's purpose/role is to support the Accounting Officer and Management Committee on governance issues. In line with the handbook, the Audit and Risk Assurance Committee focuses on:
- assurance arrangements over governance; financial reporting; annual reports and accounts, including the Governance Statement; and
 - ensuring there is an adequate and effective risk management and assurance framework in place.
- 6.3 NILGOSC and the Department have agreed arrangements in respect of Audit and Risk Assurance Committees which may include:
- attendance by departmental representatives in an observer capacity at NILGOSC's Audit and Risk Assurance Committee meetings;
 - access to NILGOSC Audit and Risk Assurance Committee papers and minutes;
 - any input required from NILGOSC's Audit and Risk Assurance Committee to the departmental Audit and Risk Assurance Committee.

6.4 Risk management is an integral part of NILGOSC’s strategic planning, management and decision-making. The risk review process forms an important part of the corporate planning process as it helps to identify progress against objectives and highlight those areas where further action is required to reduce the level of risk within the organisation. Risk management is a key element of the effective accountability and corporate governance arrangements supporting the annual Governance Statement. NILGOSC’s risk management framework has been developed and updated in accordance with recommended best practice and in particular takes account of the principles and approach set out in the following guidance:

- Corporate Governance in Central Government Departments: Code of Good Practice - DAO (DoF) 02/25
- Good Practice in Risk Management – Northern Ireland Audit Office, 2011
- A Structured Approach to Enterprise Risk Management - Institute of Risk Management (IRM), 2010
- The Orange Book – Management of Risk, Principles and Concepts’ – HM Government, updated June 2025
- The General Code of Practice – The Pensions Regulator - March 2024

6.5 NILGOSC undertakes continuous risk identification and assessment to determine and prioritise how the risks should be managed. This review is carried out by managers on an ongoing basis but is formally considered on a quarterly basis at Senior Management

Team (SMT) meetings. NILGOSC present a live risk register at each quarterly Audit and Risk Assurance Committee meeting that the Department representative attends and seek approval from the Committee for any suggested alterations. This ensures that both NILGOSC and the Department has a clear and shared understanding of risk to the delivery of statutory functions and the achievement of priorities and performance targets.

The risk register sets out the risks which would prevent NILGOSC from achieving its strategic objectives. Key risks are those with a red risk status on the risk register and represent the most significant risks faced by NILGOSC. Each risk in the register has a description of the risk, the consequences, the inherent risk score for that risk, the control measures taken to mitigate the risk, net risk scores, the current risk status (red, amber or green), the risk owner and a note of any additional action required. NILGOSC recognise that some risks are unavoidable and it is not always within the ability of the organisation to manage risk to a tolerable level. NILGOSC has developed a Business Continuity Plan to minimise any potential negative impact of a risk being realised. The Business Continuity Plan details contingency arrangements in the event of disruption to normal business, including staff out of hours telephone numbers.

6.6 Full compliance with the Audit and Risk Assurance Committee Handbook (NI) is an essential requirement. In the event of significant non-compliance with the handbook’s five good practice principles

(or other non-compliance) discussion will be required with the Department and a full explanation provided in the annual Governance Statement.

- 6.7 The extant Audit and Risk Assurance Committee Handbook (NI) is available on the DoF website.

7. Chairperson of NILGOSC

- 7.1 The Chair is responsible for setting the agenda and managing the Committee to enable collaborative and robust discussion of issues. The Chair's role is to develop and motivate the Committee and ensure effective relationships in order that the Committee can work collaboratively to reach a consensus on decisions. To achieve this, he or she should ensure:
- the Committee has an appropriate balance of skills appropriate to its business;
 - Committee members are fully briefed on terms of appointment, duties, rights and responsibilities;
 - Committee members receive and maintain appropriate training;
 - the Minister is advised of NILGOSC's needs when Committee vacancies arise;
 - Terms of Reference are in place setting out the roles and responsibilities of the Committee in line with relevant guidance;
 - a code of practice for Committee members is in place, consistent with relevant guidance.

- 7.2 The role also requires the establishment of an effective working relationship with the Chief Executive and Secretary that is simultaneously collaborative and challenging. It is important that the Chair and Chief Executive and Secretary act in accordance with their distinct roles and responsibilities as laid out in Managing Public Money NI and their appointment letters.

- 7.3 The Chair has a high profile in the organisation while being mindful of overstepping boundaries and not becoming involved in day-to-day operations or executive activities.

8. NILGOSC Chief Executive and Secretary

- 8.1 The NILGOSC Scheme of Delegation lists the matters reserved to the Committee with all other matters delegated to the Secretary - a term set out in legislation. NILGOSC uses the term 'Chief Executive and Secretary' for this role, and the post holder is the NILGOSC Accounting Officer. The Local Government Pension Scheme Regulations (NI) 2014 (S.R.2014 No. 188) sets out the role of the Secretary of the Committee i.e. the Secretary shall deal with claims from the Committee for expenses and allowances payable and prepare the financial statements, sending these to the Department by 30th June each year. The delegated authorities held are listed in Annex 3. The Chief Executive and Secretary is responsible for all other matters not precluded under NILGOSC's Delegations of Authority. The Chief Executive and Secretary is not restricted from exercising his/her own delegation

to NILGOSC officers for any of the matters for which he/she is responsible but is accountable for the actions of all officers exercising a delegation. The Chief Executive and Secretary has delegated authority to the Deputy Secretary for all matters not precluded by these Delegations of Authority and this delegation can be rescinded at any time. Investment decision making is delegated to the Chief Executive and Secretary with responsibilities assigned to external Fund Managers. The Fund Managers are responsible for the investment of the fund within the terms of their Investment Management Agreement or equivalent agreement.

8.2 The role of the Chief Executive and Secretary is to run NILGOSC's business.

The Chief Executive and Secretary are responsible for all executive management matters affecting the organisation and for leadership of the executive management team.

8.3 The Chief Executive and Secretary is designated as NILGOSC Accounting Officer by the departmental Accounting Officer (see section 12). The Accounting Officer is responsible for safeguarding the public pension funds in his/her charge and ensuring those funds are applied only to the purposes for which they were contributed and more generally for efficient and economical administration.

8.4 The Chief Executive and Secretary is accountable to the Board for NILGOSC's performance and delivery of outcomes and targets and is responsible for implementing the

decisions of the Committee. The Chief Executive and Secretary maintains a dialogue with the Chair on the important strategic issues facing the organisation and for proposing Committee agendas to the Chair to reflect these. The Chief Executive and Secretary ensures effective communication with stakeholders and communication on this to the Committee. The Chief Executive and Secretary also ensures that the Chair is alerted to forthcoming complex, contentious or sensitive issues, including risks affecting the organisation.

8.5 The Chief Executive and Secretary acts as a role model to other executives by exhibiting open support for the Chair and Committee members and the contribution they make. The Chair and Chief Executive and Secretary have agreed how they will work together in practice, understanding and respecting each other's role, including the Chief Executive and Secretary's responsibility as Accounting Officer.

8.6 In accordance with the responsibilities set out in Managing Public Money Northern Ireland (MPMNI), the Accounting Officer is responsible for maintaining a sound system of internal control in NILGOSC to enable it to achieve its policies, aims and objectives as well as safeguarding its public funds and assets.

8.7 Further detail on the role and responsibilities of the Chief Executive and Secretary are as laid out in Managing Public Money NI and their Accounting Officer appointment letter.

9. The Chief Executive and Secretary role as Principal Officer for Ombudsman Case

- 9.1 The Chief Executive and Secretary is the Principal Officer for handling cases involving the NI Public Sector Ombudsman. The Chief Executive and Secretary shall advise the departmental Accounting Officer of any complaints about NILGOSC accepted by the Ombudsman for investigation, and about the proposed response to any subsequent recommendations from the Ombudsman.

10. The Chief Executive and Secretary role

- 10.1 Due to the nature of the role of NILGOSC, both as the administrator of a pension scheme and as a global investor, the Chief Executive and Secretary is the lead executive, for matters involving, but not limited to, the Pensions Regulator, the Pensions Ombudsman, the Financial Conduct Authority, the Information Commissioner, and international investment and tax authorities.

Role of the Department for Communities

11. Partnership Working with NILGOSC

11.1 As the 'Responsible Authority', the Department has statutory duties for:

- Making Scheme regulations including on the admission criteria for new Employers;
- Consulting on any changes to the regulations with those likely to be affected;
- Ensuring that anyone appointed to the Board does not have a conflict of interest, and to be satisfied from 'time to time' that none of the Board Members has a conflict;
- Establishing the Scheme Advisory Board, which is responsible for providing advice to the Department on the desirability of making any changes to the Scheme regulations;
- Managing the cost control mechanism of the LGPS (NI) in line with Department of Finance (DoF) Directions and in collaboration with the Government Actuary's Department (GAD), the SAB and the Minister.

11.2 Since 2002 and under current regulations, new admissions are required to provide NILGOSC with guarantees for future liabilities for their employees, including the Education Authority provided by the Department of Education in 2015.

11.3 The Public Service Pensions Act (Northern Ireland) 2014 (the 2014 Act)

establishes the Department for Communities as the responsible authority for the Local Government Pension Scheme (NI) (LGPS (NI)). As the responsible authority the Department has the power to make scheme regulations which contain detailed provisions for the LGPS (NI). Under section 4 of the 2014 Act scheme regulations must provide for a scheme manager to be responsible for managing or administering the LGPS (NI). Regulation 60 of the Local Government Pension Scheme Regulations (NI) 2014 (S.R.2014 No. 188) (the scheme regulations) make provision for NILGOSC (the Committee) to manage and administer the LGPS (NI). The scheme regulations set out the detail of how the scheme is governed, administered etc. with the relationship between the Department and NILGOSC established in statute throughout.

11.4 Under section 5 of the 2014 Act, scheme regulations must provide for the establishment of a Pension Board for the scheme. The primary responsibility of the Pensions Board is to assist the Scheme Administrator to secure compliance with all legislative and regulatory requirements, including The Pensions Regulator Code of Practice. They also need to seek assurances that none of the Board Members has a conflict of interest and to have regard more broadly to the effective and efficient governance and administration of the Scheme.

11.5 In August 2014, the Department consulted on proposals for the governance arrangements of the LGPS (NI), including the Pension Board. The majority of consultation responses (67%) were in favour of the Department designating the Committee as the Pension Board. Officials briefed the Department Committee on the governance proposals in early 2015 and the Committee was content that the Department should proceed to make the regulations. Section 5(2) of the 2014 Act enables scheme regulations to make provision for NILGOSC (the Committee) to also act as the Pension Board as long as the Department, as responsible authority, designated the Committee as the Pension Board. The Department's designation of the Committee as Pension Board ensures that a single governance structure operates within the LGPS (NI) and was subject to the condition that the Pension Board act in accordance with Terms of Reference specified by the Department and publication of minutes on the Committee's website.

11.6 The Department must ensure that the single Pension Board structure fulfils its responsibility to "have regard to the desirability of securing the effective and efficient governance and administration of the scheme". Following 5-year reviews of the decision by the Department in February 2020 and February 2025, the respective Ministers approved the continuation of the single governance structure arrangement as the Department confirmed that it was content that NILGOSC have 'fulfilled all obligations in administering and

maintaining a fund providing pension benefits for employees of local authorities and other admitted bodies'. It is the responsibility of the Pension Board to assist the scheme manager to:

- (a) secure compliance with:
 - I. the scheme regulations;
 - II. any other legislation relating to the governance and administration of the LGPS (NI); and
 - III. requirements imposed by the Pensions Regulator in relation to the Scheme; and
- (b) to ensure the effective and efficient governance and administration of the LGPS (NI).

11.7 Under section 7 of the 2014 Act, scheme regulations must provide for the establishment of the Local Government Pension Scheme Advisory Board (the Advisory Board). The Scheme Advisory Board is responsible for providing advice to the Minister for Communities on the desirability of making changes to the Scheme.

11.8 The Advisory Board is chaired by the Director of Local Government and Housing Regulation Division, Department for Communities. Four employer representatives are invited to be employer representatives, one from each of the following employers, district councils, Translink, the Northern Ireland Housing Executive and the Education Authority. Four employee representatives are invited, with the Northern Ireland Committee of the Irish Congress of Trade Unions seek nominations from the four largest trade unions - NIPSA, Unite, GMB and Unison. Two officials are invited from NILGOSC.

11.9 The Scheme Advisory Board is responsible for:

- providing advice on request about the desirability of changes to the design of the scheme; policy issues and changes to scheme regulations; and
- reaching agreement on the steps required to keep the future costs of the Scheme within the employer cost cap margins as set out in the Public Service Pensions (Employer Cost Cap) Regulations (Northern Ireland) 2015 and making recommendations on adjustments to the Scheme.

11.10 The Department and NILGOSC are part of a total delivery system, within the same Ministerial portfolio. The partnership between the Department and NILGOSC is open, honest, constructive and based on trust as per Section 5 of the Principles within the NI Code of Good Practice (See Annex 8). There is mutual understanding of each other's objectives and clear

expectations on the terms of engagement.

11.11 The Department of Finance (DoF) has established, on behalf of the Assembly, a delegated authority framework which sets out the circumstances where prior DoF approval is required before expenditure can be incurred or commitments entered into. The Accounting Officer of the Department for Communities has established an internal framework of delegated authority for the Department and its ALBs which applies to NILGOSC except where indicated in Annex 3. Other specific approval requirements established in respect of NILGOSC are also set out at Annex 3.

11.12 Inclusion of any planned expenditure in the NILGOSC budget shall not remove the need to seek formal departmental approval where proposed expenditure is outside the delegated limits (as laid out in Annex 3). Nor does it negate the need to follow due processes laid out in guidance contained in Managing Public Money NI and the NI Guide to Expenditure Appraisal and Evaluation.

11.13 As part of the Executive's New Decade, New Approach (NDNA) commitment to review the continuing need for its Arm's Length Bodies, NILGOSC underwent an independent review in 2024. The main focus of the Review was to consider in detail the effectiveness of governance and accountability arrangements. It resulted in recommendations, identifying opportunities to further strengthen governance, accountability and partnership working, the most

important being the development of the Partnership Agreement. NILGOSC and the Department will work collaboratively to progress these recommendations through the established engagement and assurance processes set out in this Partnership Agreement.

12. Lead Official

- 12.1 The Department has appointed a lead senior official (usually Grade 5 level) to manage the relationship with NILGOSC and ensure effective partnership working. Engagement between the Department and NILGOSC will be co-ordinated, collaborative and consistent. A clear sense of collaboration and partnership will be communicated to staff in both the Department and NILGOSC in order to promote mutual understanding and support. The lead senior official is the Director of Local Government and Housing Regulation Division, assisted by Local Government Finance Branch.
- 12.2 The Director of Local Government and Housing Regulation Division is the policy lead for LGPS (NI) and NILGOSC's statutory role as the scheme manager. The policy lead has a clear understanding of NILGOSC's responsibilities for policy implementation/operational delivery and the relevant audiences/stakeholders involved.
- 12.3 The Director of Local Government and Housing Regulation Division will ensure that where there are departmental staff changes, time is taken to ensure they have a full understanding of NILGOSC's business and challenges.

12.4 Conflicts can arise:

- Between the Accounting Officer and the fiduciary role of the Chief Executive and Secretary;
- Between the Chief Executive and Secretary and Chair/Board; and
- Between the Department and NILGOSC

12.5 The Director of Local Government and Housing Regulation Division will be the first point of contact for NILGOSC when an issue/conflict needs to be escalated to the Department by either the Chief Executive and Secretary or the Chair of NILGOSC. The Director of Local Government and Housing Regulation Division will manage any issues/conflicts informally in the first instance through oral communication. If required, the Director of Local Government and Housing Regulation Division will proceed to formal resolution in the form of in-person meetings. The Director of Local Government and Housing Regulation Division will also formally discharge the Department's statutory responsibility to gain assurance on conflicts of interest by requesting an update at each bi-annual formal and informal meetings between the Department and NILGOSC.

13. Annual Engagement Plan

13.1 The Department and NILGOSC will agree an engagement plan before the start of each business year. The Annual Engagement Plan (Annex 2) will set out the timing and nature of engagement between NILGOSC and the Department. The engagement plan will be specific to NILGOSC and should not stray into operational oversight.

13.2 The Minister shall meet the Committee formally, on an annual basis (subject to diary commitments), to discuss NILGOSC's performance, its current and future activities, and any policy developments relevant to those activities.

13.3 Engagement between the Department's lead official/their teams and NILGOSC will be centred on partnership working, understanding of shared risks and working together on business developments that align with policy objectives.

13.4 The Committee (referred to earlier in this document as the Management Committee) of NILGOSC has been designated as the Pension Board by the Department, in its role as responsible authority under the 2014 Act. The Pension Board is advisory in nature and its role is to assist the Scheme Manager.

13.5 The Annual Engagement Plan will also reference the agreed management of financial information to be shared over the course of a year. The aim will be to ensure clear understanding of why information is necessary and how it will be used. Where the same, or similar information is required for internal governance, information requirements will be aligned so that a single report can be used for both purposes. In addition, the engagement plan should consider opportunities for learning and development, growth and actions which could help achieve better outcomes.

14. Departmental Accounting Officer

14.1 The departmental Accounting Officer has designated the Chief Executive and Secretary of NILGOSC as NILGOSC Accounting Officer and respective responsibilities of the departmental Accounting Officer and the NILGOSC Accounting Officer are set out in Chapter 3 of Managing Public Money Northern Ireland. The departmental Accounting Officer may withdraw the NILGOSC Accounting Officer designation if he/she concludes that the NILGOSC Accounting Officer is no longer a fit person to carry out the responsibilities of an Accounting Officer or that it is otherwise in the public interest that the designation be withdrawn. In such circumstances, the NILGOSC Committee will be given a full account of the reasons for withdrawal and a chance to make representations. Withdrawal of NILGOSC Accounting Officer status would bring into question employment as Chief Executive and Secretary and the Chair should engage with the Department should such circumstances arise.

14.2 As outlined in section 8, the NILGOSC Chief Executive and Secretary is accountable to the NILGOSC Committee for his/her stewardship of NILGOSC. This includes advising the Committee on matters of financial propriety, regularity, prudent and economical administration, efficiency and effectiveness.

14.3 The departmental Accounting Officer must be informed in the event that the judgement of the NILGOSC Accounting

Officer (on matters for which they are responsible) is over-ridden by the NILGOSC Committee. The NILGOSC Accounting Officer must also take action if the NILGOSC Committee is contemplating a course that would infringe the requirement for financial propriety, regularity, prudent and economical administration, efficiency or effectiveness. In all other regards, the departmental Accounting Officer has no day-to-day involvement with NILGOSC or its Chief Executive and Secretary.

14.4 In line with DoF requirements, the NILGOSC Accounting Officer will provide an annual declaration of fitness to act as Accounting Officer to the departmental Accounting Officer.

15. Attendance at Public Accounts Committee

15.1 The NILGOSC Chief Executive and Secretary/Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of their responsibilities as Accounting Officer (as laid out in their Accounting Officer appointment letter) on issues arising from the Comptroller and Auditor General (C&AG)'s studies or reports following the annual audit of accounts.

15.2 The Chair may also, on occasion, be called to give evidence to the Public Accounts Committee on such relevant issues arising within the C&AG's studies or reports, in relation to the role and actions taken by the Board, where appropriate.

15.3 In addition, the Departmental Accounting Officer may be summoned to appear before the Public Accounts Committee to give evidence on the discharge of their responsibilities as departmental Accounting Officer with overarching responsibility for NILGOSC. In such circumstances, the departmental Accounting Officer may therefore expect to be questioned on their responsibilities to ensure that:

- there is a clear strategic control framework for NILGOSC;
- sufficient and appropriate management and financial controls are in place to safeguard public funds;
- the nominated Accounting Officer is fit to discharge his or her responsibilities;
- there are suitable internal audit arrangements;
- accounts are prepared in accordance with the relevant legislation and any accounting direction; and
- intervention is made, where necessary, in situations where the NILGOSC Accounting Officer's advice on transactions in relation to regularity, propriety or value for money is overruled by the body's Board or its Chair.

16. Attendance of departmental officials at NILGOSC meetings

16.1 Departmental officials may attend board meetings of NILGOSC. This is strictly on an observer basis, including to discuss any issues raised by either NILGOSC or the Department. The officials do not have a decision-making role, but will be provided with all Board papers. Should NILGOSC consider

that any papers, or content of papers, should not be provided or be redacted, the NILGOSC Chief Executive shall write to the Director of Local Government and Housing Regulation Division in advance to provide an explanation and secure agreement that the papers, or content of papers, should not be provided.

17. Actuarial Valuations

17.1 There are at least 3 actuarial reports produced as noted in more detail in the points below:

- I. Section 13 of the 2014 Act (as noted at 15.2) conducted by Government Actuary Division (GAD);
- II. The triennial fund valuation conducted by the scheme actuaries, as appointed by NILGOSC.
- III. Cost control valuation conducted by GAD under the cost control mechanism (Reg 124).

The Department has a legislative role under the first and third reports noted above.

17.2 Section 13 of the 2014 Act (the section 13 report) requires the Department to appoint a person to carry out a review of the actuarial valuation of the scheme to specifically examine the following four areas in relation to the scheme:

- Compliance
- Consistency
- Solvency
- Long term cost efficiency.

17.3 In addition to the section 13 report, the Scheme Regulations require that a full actuarial valuation is carried out every third year. The triennial fund valuation conducted by the scheme actuaries, as appointed by NILGOSC. There are 3 parts: an actuarial valuation; a report and; a rates and adjustments certificate (Reg 68). The last full actuarial valuation into the financial position of the fund was completed as at 31 March 2022 by the scheme actuary, in accordance with Regulation 68 of the scheme regulations.

17.4 The third actuarial report produced is a cost control valuation conducted by GAD under the cost control mechanism (Reg 124). The outcome of the cost control valuation may result in changes to the rates of employer contributions or member benefits depending on the result of the valuation.

Assurance Framework

18. Autonomy and Proportionality

- 18.1 The Department will ensure that NILGOSC has the autonomy to deliver effectively, recognising its status as a separate legal entity which has its own board and governance arrangements. Guidance on proportionate autonomy has been considered in determining the extent of engagement and assurance established between NILGOSC and the Department and is reflected in this agreement and is summarised in the Department's Proportionate Autonomy Assessment of NILGOSC.
- 18.2 A proportionate approach to assurance will be taken based on NILGOSC's overall purpose, business and budget and a mutual understanding of risk. The approach will include an agreed process through which the NILGOSC Accounting Officer provides written assurance to the Department that the funds and organisational assets for which they are personally responsible are safeguarded, have been managed with propriety and regularity, and the use of funds represents value for money.
- 18.3 Recognising the governance arrangements in place within the organisation, the NILGOSC Accounting Officer will arrange for their written assurance to be discussed at the NILGOSC Audit and Risk Assurance Committee and presented to the NILGOSC Committee. It is recognised

that this will normally occur after submission to the Department.

- 18.4 The NILGOSC Chair will provide written confirmation to the Department that the NILGOSC Accounting Officer's formal assurance has been considered by the Board and is reflective of NILGOSC's current position.
- 18.5 In addition to the NILGOSC Accounting Officer's written assurance, the Department will take assurance from the following key aspects of NILGOSC's own governance framework:
- annual review of board effectiveness which is shared with the Department along with the action points;
 - completion of Committee member appraisals which confirm board member effectiveness;
 - internal audit assurance and external quality assessment of the internal audit function and;
 - externally audited annual report and accounts, reviewed/considered by the NILGOSC Audit and Risk Assurance Committee.
- 18.6 The Department reserves powers to commission any additional or external assurance required to fulfil its duties as the sponsoring department.

19. Board Effectiveness

- 19.1 The NILGOSC Chair will ensure that the NILGOSC Management Committee undertakes an annual review of **board effectiveness** which encompasses the Audit & Risk Committee established by the Management Committee but excludes the Staffing and Internal Dispute Resolution Committees.
- 19.2 The Chair will discuss the outcome of the annual review of board effectiveness with the lead official to ensure a partnership approach to any improvements identified. This will inform the annual programme of Committee training/development and discussions in respect of Committee composition and succession.
- 19.3 In line with any parameters set out in founding (or other) legislation, the Chair in conjunction with the Department, and Minister where appropriate, will consider the size and composition of the NILGOSC Committee, proportionate to the size and complexity of NILGOSC and keep this under review.
- 19.4 In addition to the annual review of board effectiveness, NILGOSC will undertake an externally facilitated review of its Management Committee's effectiveness at least once every five years covering the performance of the Committee, its sub-committees and individual Committee members. NILGOSC will procure an independent provider using normal procurement processes.

20. Committee Member Appraisals

- 20.1 The Chair of NILGOSC will conduct an annual appraisal in respect of each Committee member which will also inform the annual programme of Board training/development. The Chair will engage with the Chief Executive and Secretary/lead official as appropriate on improvements identified through the appraisal process and the annual training/development programme.
- 20.2 The Chair's annual appraisal will be completed by the Director of Local Government and Housing Regulation Division within the Department. The appraisal will take account of the Key Characteristics of a good chairperson (particularly for the Chair to have well developed interpersonal skills) set out in the NIAO Good Practice Guide on Board Effectiveness available on the NIAO website. There will be close engagement between the Chair and the lead official on improvements identified through the appraisal process.

21. Internal Audit Assurance

- 21.1 NILGOSC is required to establish and maintain arrangements for an internal audit function that operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The Department must be satisfied with the competence and qualifications of the Head of Internal Audit and that the requirements for approving appointments are in accordance with PSIAS.

21.2 In the event that the internal audit function is contracted out, NILGOSC shall ensure the Department is satisfied that the contract specification for the internal audit service meets the requirements of PSIAS.

21.3 NILGOSC will provide its internal audit strategy, periodic audit plans and annual audit report, including the internal auditor's opinion on risk management, control and governance to the Department. NILGOSC will ensure the Department's internal audit team have complete right of access to all relevant records. This applies whether the internal audit function is provided in-house or is contracted out.

21.4 NILGOSC will ensure regular, periodic self-assessments of the internal audit function in line with PSIAS and will share these with the Department. NILGOSC will also liaise with the Department on the external quality assessment (EQA) of the internal audit function which (in line with PSIAS) is required to be conducted at least once every five years by a qualified independent assessor.

21.5 NILGOSC will alert the Department to any less than satisfactory audit reports at the earliest opportunity on an ongoing basis. NILGOSC will also alert the Department to a less than satisfactory annual opinion from its internal auditor at the earliest opportunity. NILGOSC and the Department will then engage closely on actions required to address the less than satisfactory opinion in order to move NILGOSC to a satisfactory position as soon as possible.

21.6 The Department will take assurance from the fact that NILGOSC has met the requirements of PSIAS and has a satisfactory annual opinion from its internal auditor as part of its overall assurance assessment.

22. Externally Audited Annual Report and Accounts

The annual report and accounts

22.1 NILGOSC is required to prepare an annual report and accounts in line with the Government Financial Reporting Manual (FRm) issued by the Department of Finance (DoF) and the specific accounts direction issued by Department, and in accordance with the deadlines specified.

23. External Audit

23.1 The Local Government Auditor will arrange to audit NILGOSC's annual accounts and will issue an independent opinion on the accounts. The Department shall lay the annual report and accounts before the NI Assembly.

23.2 The Local Government Auditor will also provide a Report to Those Charged with Governance (RTTCWG) to NILGOSC which will be shared with the Department.

23.3 NILGOSC will alert the Department to any likely qualification of the accounts at the earliest opportunity. In the event of a qualified audit opinion or significant issues reported in the RTTCWG the Department will engage with NILGOSC on actions required to address the qualification/significant issues.

23.4 The Department will take assurance from the external audit process and an unqualified position as part of its overall assurance assessment.

24. Value for Money (VFM) examinations

24.1 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which NILGOSC has used its resources in discharging its functions. The C&AG may also carry out thematic examinations that encompass the functions of NILGOSC.

24.2 For the purpose of audit and any other examinations, the C&AG has statutory access to documents as provided for under Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003.

24.3 Where drawing up a contract, NILGOSC should ensure that it includes a clause which makes explicit that details of the contract may be made available to the C&AG in relation to documents relevant to the transaction. Where subcontractors are likely to be involved, it should also be made clear that the requirements extend to them.

Signatories

NILGOSC and the Department for Communities agree to work in partnership with each other in line with the NI Code of Good Practice 'Partnerships between Departments and Arm's-Length Bodies' and the arrangements set out in this Agreement.

DoF Supply will approve the initial Partnership Agreement between NILGOSC and the Department for Communities and any subsequent variations to the Agreement, if they are significant.

Mark McBride

Signed (NILGOSC Chair)

Date 09 March 2026

David Murphy

Signed (NILGOSC Chief Executive and Secretary)

Date 09 March 2026

Emer Morelli

Signed (Department for Communities – Permanent Secretary)

Date 04 March 2026

Annex 1 - Applicable Legislation

The legislation listed below sets out the law governing the local government pension scheme itself rather than specifically identifying the parts of the legislation which governs the functions, powers and duties of NILGOSC, as scheme manager or the Department, as the responsible authority.

Further information is available at-

Public Service Pensions Act (Northern Ireland) 2014 - Explanatory Notes (legislation.gov.uk)

And

EXPLANATORY MEMORANDUM TEMPLATE (legislation.gov.uk) (The Local Government Pension Scheme Regulations (Northern Ireland) 2014

There is also a broad range of general pension, tax and public finance legislation, at both a UK Government level and under the devolved administration of the Northern Ireland Assembly, which NILGOSC must comply with in their management and administration of the fund.

A list of the founding legislation and other key statutes which provide NILGOSC with its statutory functions, duties and powers can be found below:

1.a. Primary Legislation

- Local Government (Superannuation) Act (Northern Ireland) 1950
- The Superannuation (Northern Ireland) Order 1972;
- Public Service Pensions Act (NI) 2014;
- Public Service Pensions and Judicial Offices Act 2022;

1.b. Subordinate Legislation

- Local Government Pension Scheme (Management and Investment of Funds) Regulations (NI) 2000 (as amended)
- Local Government Pension Scheme Regulations (NI) 2014 (as amended)
- Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (NI) 2014 (as amended)

The current position in relation to NILGOSC's Statutory Functions is detailed in the table below which shows the key powers/duties:

1.c. Primary legislation

Title	Reference	Description	Powers
The Local Government (Superannuation) Act (Northern Ireland) 1950	1950 c.10 (N.I.)	<p>An Act to –</p> <ul style="list-style-type: none"> provide for the establishment of the Northern Ireland Local Government Officers' Superannuation Committee; empower the Ministry of Health and Local Government to make provision, by regulations to be administered by the said Committee, for the grant of superannuation benefits to or in respect of officers of local authorities and certain other bodies; and repeal, with certain savings, the existing law relating to the superannuation of officers of local authorities; and for purposes connected with these matters. [4th May 1950] 	The majority of this Act has been repealed.
Superannuation (Northern Ireland) Order 1972	1972 No. 1073 (N.I. 10)	This Order deals with the superannuation schemes of various categories of officials employed in the public sector in Northern Ireland.	Articles 9 and 14 of the Order enabled the Department to make Regulations in respect of the LGPS (NI)

Title	Reference	Description	Powers
Public Service Pension Schemes Act (Northern Ireland) 2014	2014 c. 2	<p>The Act provides a framework containing core provisions for pension reform which will extend across public service schemes made for the following classes of public service employments:</p> <ul style="list-style-type: none"> • civil servants; • devolved judiciary; • local government workers; • teachers; • health service workers; • fire and rescue service workers; and, • members of the police service. 	Sections 1 and 3 of, and Schedule 3 to, the Act enable the Department to make Regulations in respect of the LGPS (NI)
Public Service Pensions and Judicial Offices Act 2022	2022 c. 7	<p>An Act to make provision about public service pension schemes, including retrospective provision to rectify unlawful discrimination in the way in which existing schemes were restricted under the Public Service Pensions Act 2013 and corresponding Northern Ireland legislation; to make provision for the establishment of new public pension schemes for members of occupational pension schemes of bodies that were brought into public ownership under the Banking (Special Provisions) Act 2008; to make provision about the remuneration and the date of retirement of holders of certain judicial offices; to make provision about judicial service after retirement; and for connected purposes</p>	Chapter 3 refers to local government schemes

Subordinate Legislation

Title	Reference	Description
Local Government Pension Scheme (Management and Investment of Funds) Regulations (NI) 2000 (as amended)	SR 2000 No. 178 as amended.	The regulations make provision in relation to the management and investment of pension funds held by the administering authority required to maintain such funds by the Local Government Pension Scheme Regulations (NI) 2014.
The Local Government Pension Scheme Regulations (Northern Ireland) 2014	SR 2014 No. 188 as amended	These Regulations establish the legal framework for the reformed Local Government Pension Scheme (Northern Ireland) (the reformed Scheme) which will come into operation on 1 April 2015.
The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014	SR 2014 No. 189 as amended	These Regulations make transitional provisions between the existing Local Government Pension Scheme (Northern Ireland) arrangements and the reformed Scheme which came into operation on 1 April 2015.

Annex 2 – Annual Engagement Plan

Good engagement is one of the key principles in the Partnership Code, underpinning the other principles of: Leadership; Purpose; Assurance; and Value.

As laid out in the Code, partnerships work well when relationships between departments and ALBs are open, transparent, honest, constructive and based on trust and when there is mutual understanding of each other's objectives and clear expectations about the terms of engagement.

The template provided outlines the key areas of engagement between the Department and NILGOSC. The template is not intended to be prescriptive and should be completed collaboratively and agreed between the Department and the NILGOSC annually.

Annual Engagement Plan Template

Engagement Plan 2025/26

Policy Development and Delivery

Add details of the planned engagement between NILGOSC and the Department in relation to development and monitoring of existing and new areas of policy.

Policy Area	Frequency / Timing	Lead Departmental / NILGOSC Officials
The Department will consult as required by section 21 of the Public Service Pensions Act (NI) 2014	In line with best practice unless other financial or legislative restrictions apply to the policy area under consideration.	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Insight from the Department or changes to DoF policies	At early stages	The Department – Director of Local Government and Housing Regulation Division

Strategic Planning

Activity	Date	Lead Departmental / NILGOSC Official
NILGOSC Strategic Planning Workshops – encompassing strategic planning and risk identification. Informed by input on departmental priorities/plans and risk areas	Every 3 years	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division

Activity	Date	Lead Departmental / NILGOSC Official
Meeting with NILGOSC Chair and officers and Department's Sponsor officials	6 monthly	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Informal meeting with NILGOSC officers and Department's Sponsor officials	6 monthly	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Formal meeting with NILGOSC Chair, ARAC Chair and officers, Department's Sponsor officials, the Minister and Permanent Secretary	Annually	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Annual meeting with the Minister	Annually	Minister NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Submission/presentation of NILGOSC Strategic Objectives	Annually	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division

Activity	Date	Lead Departmental / NILGOSC Official
Approval of NILGOSC Strategic objectives	6 monthly	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Update report on achievement of Corporate plan	Quarterly	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Engagement on areas of strategic interest of the NILGOSC Corporate Plan during the year	Ad hoc	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division

Board Appointments
Add details of any engagement related to Public Appointment exercises

Activity	Date	Lead Departmental / NILGOSC Official
Part 1 of Schedule 3 to the Local Government Pension Scheme Regulations (NI) 2014 sets out the constitution of the Committee Recruitment of committee members	As and when required under Part 1 of Schedule 3 to the Local Government Pension Scheme Regulations (NI) 2014	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division

Board Appointments

Add details of any engagement related to Public Appointment exercises

Activity	Date	Lead Departmental / NILGOSC Official
<p>Part 1 of Schedule 3 to the Local Government Pension Scheme Regulations (NI) 2014 sets out the constitution of the Committee Recruitment of committee members</p>	<p>As and when required under Part 1 of Schedule 3 to the Local Government Pension Scheme Regulations (NI) 2014</p>	<p>NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division</p>
<p>Secretary and Deputy Secretary Recruitment Add details of any engagement related to the recruitment of a new Secretary or Deputy Secretary (if anticipated during the year ahead). NILGOSC should engage with the Department at an early stage in the event of the recruitment of a new Secretary or Deputy Secretary. While recognising the role of the Board as employer, the Department will work closely with the NILGOSC in the recruitment and selection process in line with extant guidance.</p>		
Activity	Date	Lead Departmental / NILGOSC Official
<p>Under paragraphs 11 and 12 of Part 2 of Schedule 3 to the Local Government Pension Scheme Regulations (NI) 2014 – The Committee may with the approval of the Department appoint persons to hold the following offices-</p> <ul style="list-style-type: none"> • Secretary to the Committee; • Deputy Secretary to the Committee; and • Such other offices under the Committee as the Department may designate in writing 	<p>Every 3 years</p>	<p>NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division</p>

Assurances

Add details of the timetable for submission of key assurance sources and any other assurance related activity

Action	Date	Lead Departmental / NILGOSC Official
Outcome of the Review of Board Effectiveness	Annually	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Planning for the externally facilitated review of Board Effectiveness	Externally facilitated review at least once every five years	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Board Appraisals and planned training / development for Board members	Following the end of the Business year	The Department – Director of Local Government and Housing Regulation Division
Chair Appraisal	Following the end of the Business year. After Board Appraisals have been completed by the Chair and the annual Review of Board Effectiveness has concluded	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Senior Civil Service Departmental Attendance at Management Committee	Attendance as observer - 1 person attends each meeting	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division

Action	Date	Lead Departmental / NILGOSC Official
Departmental Attendance at ARAC	Attendance as observer - 1 person attends each meeting	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Assurance Statement	Bi-annually	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Governance Policy Statement	As required under regulation 62 of the Local Government Pension Scheme Regulations (NI) 2014	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Annual Report and Accounts	As required under regulation 63 of the Local Government Pension Scheme Regulations (NI) 2014 (Annually)	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Report to those Charged with Governance	Presented by NIAO at the second ARAC meeting of the new financial year (usually August)	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division

Action	Date	Lead Departmental / NILGOSC Official
Engagement on other planned NIAO reports	As needed	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Head of Internal Audit Annual report / Opinion	Presented by the Internal Auditor at the first ARAC meeting of the new financial year (usually May)	NILGOSC – Chief Executive and Secretary
Internal Audit Strategy and Plans	Presented by the Internal Auditor at the first ARAC meeting of the new financial year (usually May)	NILGOSC – Chief Executive and Secretary
Internal Audit External Quality Assessment	To be conducted at least once every five years	NILGOSC – Chief Executive and Secretary
Internal Audit Reports	As completed	NILGOSC – Chief Executive and Secretary

Budget Management

Add details of the information and returns to be provided.

Item and Purpose	Date	Lead Departmental / NILGOSC Official
<p>Actual vs Budget for Administration expenditure – Under regulation 5(4) of the Local Government Pension Scheme (Management and Investment of the Funds) Regulations (NI) 2000 - Any costs, charges and expenses incurred in administering the fund may be paid from it and the Committee is responsible for managing and administering the fund under regulation 60 of the Local Government Pension Scheme Regulations (NI) 2014</p>	Bi-annually	NILGOSC – Chief Executive and Secretary

Other

Tailor as required to reflect the specific requirements

Item and Purpose	Submission Date	Lead Departmental / NILGOSC Official
Accounting Officer - Fitness to Act as Accounting Officer	Annually	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Fraud Reporting	Immediate reporting of all frauds (proven or suspected including attempted fraud)	Department and NILGOSC will report frauds immediately to DoF and C&AG. NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Fraud Reporting	Annual fraud return commissioned by DoF on fraud and theft suffered by NILGOSC.	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Preparation of business cases	When outside of delegated authority	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Raising Concerns	If/when they arise	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division

Review of the Partnership Arrangement

Tailor as required to reflect the specific requirements

Item and Purpose	Date	Lead Departmental / NILGOSC Official
Light touch review of the Partnership Agreement	Schedule following the end of the Business Year	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Formal review of the Partnership Agreement	To be conducted once every three years	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division
Interim updating of Partnership Agreement	As required	NILGOSC – Chief Executive and Secretary The Department – Director of Local Government and Housing Regulation Division

Annex 3 - Delegations

Delegated Authorities

NILGOSC shall obtain the Department's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations;
 - incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
 - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
 - making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required;
- or
- carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money Northern Ireland.

NILGOSC's Specific Delegated Authorities

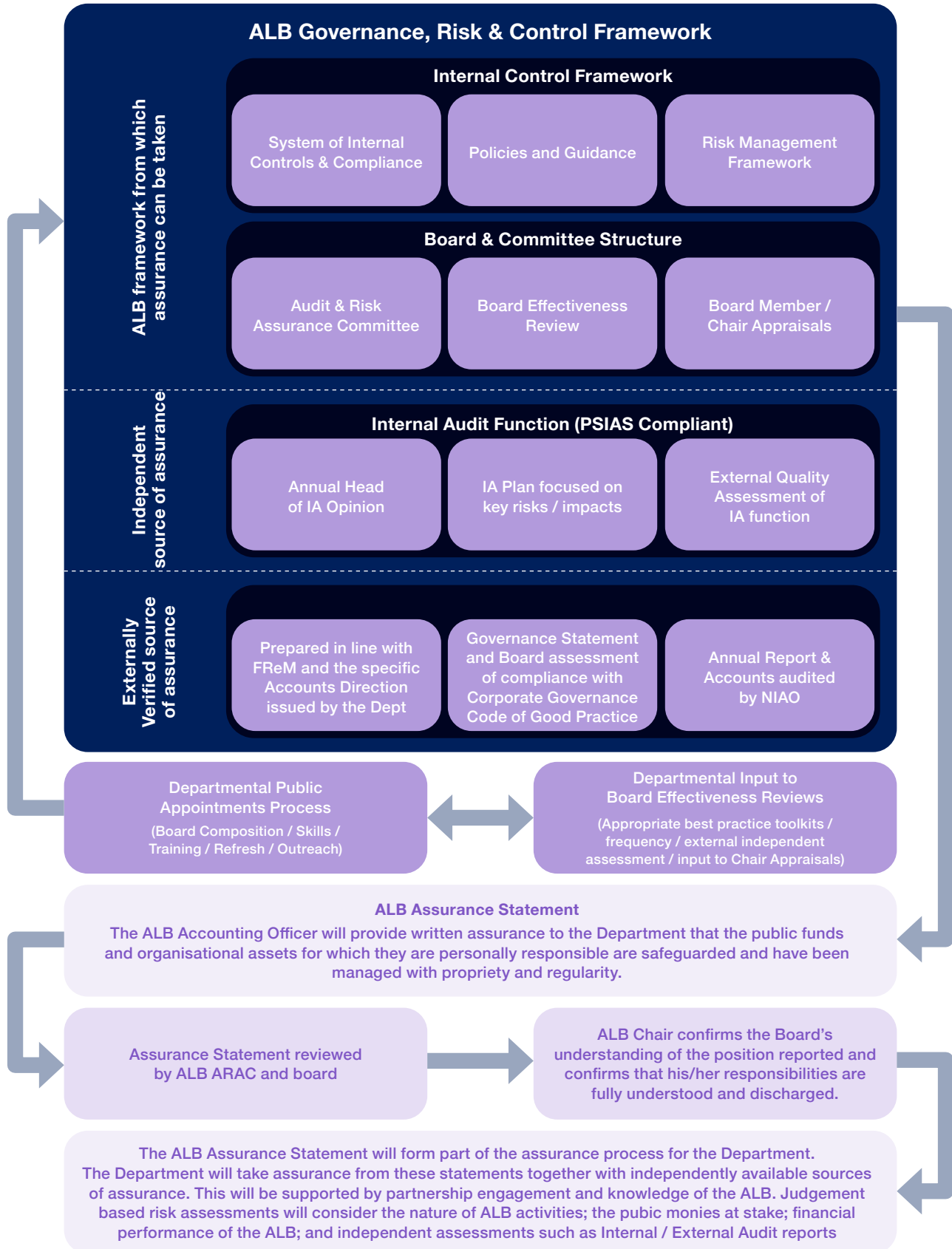
NILGOSC is authorised to:

- undertake all actions necessary for the proper management of the investment portfolio;
- write-off losses and Waived or Abandoned claims <£100k and all investment related losses and Waived or Abandoned claims;
- provide guarantees, indemnities or general statements/letters of comfort for investment purposes;
- purchase commercial insurance;
- open bank accounts;
- negotiate contract in foreign currencies;
- transfer or dispose of assets at less than market value;
- undertake procurement in compliance with NIPPP;
- establish new or re-grade posts, make special severance payments unless novel/contentious, make use of confidentiality clauses, and operate a redundancy scheme;
- utilise external consultancy;

- make Direct Award Contracts;
- incur Capital and IT expenditure;
- enter into property leases;
- make Special Payments <£100k;
- forgo the recoupment of overpayments of pension <£20k per person;
- make compensation payments following legal advice <£100k;
- make compensation payments as directed by a Court;
- make compensation payments without legal advice <£10k;
- make financial remedy payments <£5k if in line with Pension Ombudsman tariff.

These delegations shall not be altered without the prior agreement of the Department and, where applicable, DoF.

Annex 4 – Illustrative System of Assurance



Annex 5 – Concerns/Complaints in respect of Committee Members

The legislation in relation to Committee members within the Local Government Pension Scheme Regulations (Northern Ireland) 2014 is:

- **Regulation 60**
- **Schedule 3 (THE COMMITTEE: PRELIMINARY PROVISIONS)**

In line with the NI Code of Good Practice and the arrangements in this Partnership Agreement, the approach to concerns/complaints raised in respect of NILGOSC Committee members should be transparent and collaborative. The principle of early and open engagement is important, with the Department made aware of any concerns/complaints as soon as practicable.

While Committee Members are public appointees rather than NILGOSC employees, an NILGOSC employee may utilise NILGOSC's grievance procedure/other HR procedure to raise a complaint against a Committee member. The NILGOSC employee raising the grievance should expect this to be handled in line with NILGOSC's HR procedures.

Concerns/complaints might also be raised through:

- Raising Concerns arrangements;
- Complaints processes;
- Directly with NILGOSC or the Department.

Where a concern/complaint is received within NILGOSC in respect of an individual Committee member, this should be provided to the NILGOSC Chair who should notify the Department at the outset in order that lead responsibility for handling the complaint/concern is clear in advance.

Where a concern/complaint relates to the NILGOSC Chair, NILGOSC should notify the Department at the outset for the Department to determine the approach to handling the complaint/concern. NILGOSC will be notified of the approach to be taken.

Differences of view in relation to matters which fall within the Committee's responsibilities are a matter for the Committee to resolve through consensus-based decision making in the best interests of NILGOSC.

Exceptionally a concern/complaint may be raised by a Committee member about a fellow Committee member or a senior member of NILGOSC staff. The NILGOSC Chair should notify the Department at the outset to ensure that arrangements for handling the concern/complaint are clear. The Department may determine that it should make arrangements to deal with the concern/complaint. This will be agreed at the outset.

Complaints about NILGOSC staff must be dealt with in compliance with NILGOSC's HR policies.

Arrangements for concerns/complaints in respect of Committee members should be reflected in all relevant procedures, including Standing Orders and Board Operating Frameworks.

Annex 6 - Applicable Guidance

The following guidance is applicable to NILGOSC:

Guidance issued by the Department of Finance

- Managing Public Money NI
- Public Bodies – A Guide for NI Departments
- Corporate Governance in central government departments – code of good practice
- DoF Risk Management Framework
- HMT Orange Book
- The Audit and Risk Assurance Committee Handbook
- Public Sector Internal Audit Standards
- Accounting Officer Handbook – HMT Regularity, Propriety and Value for Money
- The NI Guide to Expenditure Appraisal and Evaluation
- Dear Accounting Officer Letters
- Dear Finance Director Letters
- Dear Consolidation Officer and Dear Consolidation Manager Letters
- The Consolidation Officer Letter of Appointment
- Government Financial Reporting Manual (FReM)
- Guidance for preparation and publication of annual report and accounts
- Procurement Guidance

Other Guidance and Best Practice

- Specific guidance issued by the Department
- EU Delegations
- Recommendations made by the NI Audit Office/NI Assembly Public Accounts Committee
- NIAO Good Practice Guides
- Guidance issued by the Executive's Asset Management Unit
- NI Public Services Ombudsman guidance

Annex 7 – Role of the Minister

Role of the Minister

The Chair of NILGOSC is responsible to the Minister. Communication between the Committee and the Minister should normally be through the Chair.

The departmental Accounting Officer is responsible for advising the relevant Minister on a number of issues including the NILGOSC objectives, targets, and performance.

In addition to being answerable to the Assembly as laid out in paragraph 2.4, the Minister is also responsible for:

- setting the strategic direction for the pension administration service delivered by NILGOSC;
- approving NILGOSC's Strategic Objectives;
- appointment of non-executive board members. The Minister may also be involved in considering the size and composition of the NILGOSC Board – see paragraph 17.3.

For the avoidance of doubt, decisions on investment strategy and policy rests with NILGOSC.

Annex 8 – Partnerships between Departments and Arm’s Length Bodies

NI Code of Good Practice

<https://www.finance-ni.gov.uk/publications/arms-length-bodies-guidance>

For further information or queries please contact:

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