

Northern Ireland Civil Service Pension Board

Annual Report

1 April 2019 to 31 March 2020



Department of

Finance

An Roinn

Airgeadais

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Chairperson Statement

Welcome to the Northern Ireland Civil Service Pension Board's (NICSPB) Annual Report for 2019/20.

The Pension Board was created as a statutory requirement from April 2015 under the Public Service Pensions Act (Northern Ireland) 2014. The Board met for the first time in June 2015 and has subsequently held a further nineteen meetings.

This has been another successful year for the Pension Board, with supporting arrangements in place to allow the Board to operate effectively. This includes agreeing processes, establishing relationships, and revising the annual work plan. The main discussions have centred on issues relating to the implementation of the IT system, the issuing of Annual Benefit Statements (ABS) to alpha members, assessment of Communications in respect of ABS and the actuarial valuation of the scheme as at 31 March 2016.

I would like to express my thanks to all those who helped to ensure the success of this fifth year, including members of the Pension Board, Civil Service Pensions staff in the Department of Finance, in terms of administering the scheme, and to Policy, Legislation and Communication Branch for providing secretariat support to the Board.

Finally, as this is my last Annual Report as Chair, I would like to put on record my thanks to Board Members and the Secretariat for their help and support during my time as Chair. I also want to take this opportunity to extend my best wishes to my successor who will take up post in the autumn.

Mr Sean McKeever
Independent Chairperson
Northern Ireland Civil Service Pension Board

Introduction

The Public Service Pensions Act (Northern Ireland) 2014 requires the establishment of a Pension Board from 1 April 2015 with the responsibility for “assisting the scheme manager” to secure compliance with the Northern Ireland Civil Service (NICS) pension schemes, any other legislation relating to the governance and administration of this scheme and any other statutory pension scheme connected to it; and the Pensions Regulator’s Codes of Practice for Public Sector Schemes (see below). Much of the Pension Board’s work during this fifth year has focussed on developing appropriate agendas, assessment of communications, reporting/management information, implementation of IT system, Annual Benefit Statements for alpha members and the Actuarial valuation of the Scheme at 31 March 2016.

In accordance with the agreed Terms of Reference for the Pension Board, the Board will report annually on its work, providing assurance as required and ensuring the effective administration of the scheme. The Board does not have responsibility for providing advice on the desirability of changes to the scheme and on matters of policy.

This Annual Report provides a summary of its work during its fifth year.

The Pensions Regulator

The Pensions Regulator is the UK regulator of work-based pension schemes. The Regulator’s principal aim is to prevent problems from developing by working with Pension Schemes, such as the NICS Pension Schemes, by providing guidance on the Pension Board’s responsibilities.

The Regulator’s statutory objectives are set out in legislation and include promoting and improving understanding of the good administration of work-based pensions to protect member benefits.

The Pensions Regulator website contains a section on those involved in the governance and administration of public service pension schemes. Further details are available at: <http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>

Background – Northern Ireland Civil Service Pension Schemes

The NICS Pension Schemes provide pensions to employees who have worked in the NICS. It has two schemes – Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)] (with 1972, 2002 and 2007 sections) and the alpha Pension Scheme. As at 31 March 2020, the NICS Pension Schemes has approximately **29,265** current members **8,682** deferred members and **31,668** pensioner members and dependents receiving benefits.

The PCSPS(NI) is an unfunded, defined-benefit, final salary occupational pension scheme, with the exception of the 2007 section which is a ‘career average’ scheme. The PCSPS(NI) is now closed to new entrants unless they have some form of protection from previous public sector employment and only remains available to those in the protected or transitional protected groups for members currently in service. The Scheme draws its statutory authority from the Superannuation (Northern Ireland) Order 1972.

The alpha Pension Scheme is an unfunded, defined-benefit, career average revalued earnings (CARE) occupational pension scheme and was introduced with effect from 1 April 2015, as the main pension scheme for the Northern Ireland Civil Service. The majority of new entrants are automatically enrolled into the alpha scheme on joining and as at 31 March 2020, approximately **24,245** members are enrolled into this scheme. The legislation made to introduce the new alpha scheme was titled ‘The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014’.

Members pay between 4.6% and 8.05% of pay, depending on their earnings. Employers pay between 28.7% and 34.2%, depending on annual full-time pensionable salary. The equivalent rate for Prison Officers with reserved rights is 33.9%.

Purpose and function of the Northern Ireland Civil Service Pension Board

The purpose of the Board is to carry out, within the constraints of the Scheme Manager, the roles and responsibilities that a Trustee Board would fulfil for a private sector occupational pension scheme.

The Pension Board's overriding aim is to ensure that all members¹ of the NICS pension schemes receive accurate benefits on time under the scheme rules/regulations. The Pension Board will at all times work to protect the reputation of the scheme for effective administration and for proper use of scheme funds in accordance with such good practice guidance that may be issued by the Pensions Regulator.

The Pension Board is responsible for assisting the Scheme Manager to secure compliance with -

- a) The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014, otherwise known as 'alpha' Pension Scheme regulations;
- b) any other legislation relating to the governance and administration of the 'alpha' Pension Scheme regulations and any statutory pension scheme that is connected with it;
- c) requirements imposed by the Pensions Regulator in relation to the 'alpha' Pension Scheme or any statutory pension scheme that is connected with it; and
- d) the performance of the scheme manager's functions under the 'alpha' Pension Scheme.

The Pension Board does not have responsibility for providing advice on the desirability

¹ All members' means active, deferred and pensioner members of the Northern Ireland Civil Service pension schemes arrangements.

of changes to the scheme and on matters of policy.

Northern Ireland Civil Service Pension Board – Membership

The constitution of the NICSPB is set out in the Act and The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014. The Pension Board is made up of one-third employee representatives, one third employer representatives and one third to cover Chairperson and non-executive representatives as follows:

Independent Chairperson – whilst not a “Public Appointment”, the selection and appointment process closely adhered to the principles and practices of Departmental Guidance on Public Appointments.

Employer representatives – three employer representatives nominated from across the NICS Departments by employers; for example Department of Finance.

Employee representatives – three employee representatives nominated from Trade Union Side to ensure an all-inclusive broad representation of scheme membership – including active, deferred, pensioner members and Senior Civil Service.

Non-voting representatives – two non-voting representatives to provide pension policy advice and financial advice to Board members.

A full list of Board members can be found at **Annex A**.

Civil Service Pensions, within the Department of Finance provide secretariat support for the Board. Duties of the Secretariat include:

- arranging and managing the meetings;
- preparing or commissioning papers;
- collating administration performance statistics; and
- drafting papers/reports.

Northern Ireland Civil Service Pension Board Terms of Reference

A copy of the Board's Terms of Reference for 2019/2020 can be found at **Annex B**.

2019/20 Work Areas

Following its establishment in the spring of 2015, the Pension Board has met on a quarterly basis. From 1 April 2019 to 31 March 2020 they have met on the following dates:

- Tuesday 9 April 2019
- Monday 1 July 2019
- Friday 25 October 2019
- Tuesday 28 January 2020
- Thursday 12 March 2020

In summary, during this period, the Pension Board has considered the following:

- Regular overview of Divisional Balanced Scorecard and risk controls implemented in Civil Service Pensions;
- Performance against Divisional targets;
- Cost Cap/Scheme Costs;
- Report on the 2016 review of the Public Service Pensions Act (Northern Ireland) 2014;
- Legislative requirement to issue Annual Benefit Statements to alpha members
- Compliance of the Pension Board against both the legal requirements and the Pensions Regulator's (TPR) Code 14 on scheme governance;
- The Pensions Regulator's 2018 Survey on Public Sector Pension Scheme Governance and Administration;
- Actuarial Valuation of the Scheme at 31 March 2016;
- Annual Work Plan for Pension Board;
- Update on the implementation of the new IT system for administering Civil Service pensions;
- Recent legislative updates to pension scheme arrangements;
- Update on Pensions Ombudsman findings;

- Assessment of Communications; and
- McCloud Judgement.

The period covered by this report has been used to review the governance arrangements which underpin the work of the Pension Board, including updating the following documentation:

- Terms of Reference for the Board to incorporate future proofing;
- Compliance Document – assessment of the Pension Boards’ compliance against both the legal requirements and the Pensions Regulator’s Code 14 on scheme governance;
- Conflict of Interest Questionnaires;
- Training needs analysis; and
- Annual Work Plan for Pension Board.

Training

In order to operate successfully, members of the Pension Board have access to training on issues related to scheme matters.

During this year all Board members received the following training:

Northern Ireland Public Sector Pensions Conference on 3 April 2019, including presentations from:

- DoF & Government Actuary’s Department – Cost Cap Valuations and current state of play
- Deloitte UK – Cyber Risk
- TLT LLP – Legal Update
- Irish Government – Irish Single Pension Scheme
- The Pensions Regulator – Focus for 2019/2020
- Pensions Ombudsman – TPO Update

Given that the Pension Board has been in existence since 2015, Board Member felt that the start of the reporting year provided a timely opportunity to take stock and

reflect on its role (as set out in legislation, and in accordance with the Pensions Regulator Code of Practice. The Board took the opportunity to:

- Review the Board's Terms of Reference;
- Review of effectiveness and efficacy of the Board;
- Ensuring Board business is aligned with Terms of Reference; and
- Governance considerations.

Members are responsible for assessing their own training needs and maintaining an accurate record of training undertaken.

Performance against Divisional Targets 2019/20

The Pension Board received quarterly updates from the Scheme Manager on Civil Service Pension's Divisional performance during the financial year. Areas of interest to Board members included:

- Payroll
- Processing of pension awards to members;
- Complaints about service provision and scheme entitlements; and
- Implementation of Pensions Administration and Payroll IT System.

The Board recognises and commends Civil Service Pensions for the achievement of their targets throughout the year. Civil Service Pensions met or exceeded performance targets in all the areas. A summary of performance for the year to 31 March 2020 is provided at **Annex C**. The Pension Board will continue to monitor performance against Divisional targets during 2020/21.

Complaints about Service - IDR/Pensions Ombudsman Cases.

Civil Service Pensions has two distinctive sets of complaints handling procedures. The first covers disputes about pensions and is governed by The Occupational Pensions Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations (Northern Ireland) 2008 and covers any disagreement under the provisions of the Northern Ireland Civil Service pension schemes. This

complaints procedure has two stages which are time-bounded for application and response.

In 2019/20 Civil Service Pensions dealt with 44 stage 1 cases and 16 stage 2 cases. The first stage is dealt with by the Line Manager of the staff representative initially dealing with the case. The second stage is dealt with by the Head of Civil Service Pensions Policy, Legislation and Communications Branch. Each case is reviewed on an individual basis and as appropriate, revised staff instructions and/or management checks are implemented. If the member remains dissatisfied with the outcome after the two stages have been exhausted, they still have the right of appeal to The Pensions Ombudsman. In 2019/20 Civil Service Pensions dealt with 14 Pensions Ombudsman cases.

The second type of complaint covers complaints and comments about the standard of service provided. Civil Service Pensions uses this information to continue to improve the standard of service in the future. This is also a two stage process with the first stage being dealt with by the line manager of the staff representative dealing with the case or the Head of Branch. Since 12 November 2014, the second stage is dealt with by the Director of Pensions Division. In 2019/20 year, Civil Service Pension dealt with 7 cases at stage 1 and 3 cases at stage 2. Each case is reviewed on an individual basis and as appropriate, revised staff instructions and/or management checks are implemented.

Leaflets for both Civil Service Pensions complaints procedures can be found on the Civil Service Pensions website at: <https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni>

Implementation of IT System

Civil Service Pensions are continuing to implement a pension administration and payroll system, including an accounting package. The payroll element went live in April 2015 and the development and implementation of pension administration functionality has been ongoing. Due to the complexity of the number of pension arrangements and variations under the NICS Pension Schemes delays have been encountered. The

completion date for full implementation of the system was 29 May 2020, however due a pause period due to the impact of the COVID-19 (Coronavirus) pandemic the revised date for full implementation is now 30 October 2020. The ongoing project is being closely monitored and additional governance arrangements were put into place from January 2019. Civil Service Pensions have continued to deliver to their targets, despite these delays.

Annual Benefit Statements

The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014 include a provision that the scheme manager must provide benefit statements to each active member of the alpha scheme in accordance with section 14 of the Public Service Pensions Act (Northern Ireland) 2014 and the Departmental directions made under that section. Section 14 provides that benefit statements are to be issued within 17 months of the regulations establishing the scheme coming into operation. In the case of the alpha pension scheme, benefit statements are to be issued by 31 August 2016 and by the 31 August each subsequent year.

For the 2019/20 Civil Service Pensions commenced issuing alpha Annual Benefit Statements from August 2019. Alpha members who were previously members of the PCSPS (NI) and moved into the alpha scheme before 31 March 2019 received one statement which included details of benefits accrued in each scheme. By the legislative deadline of 31 August 2019, 47% of alpha members received their Annual Benefit Statement. This was due to a number of logistical issues and timing of the August 2018 pay award. However, by 4 September 2019, a further 46.5% of alpha members had received their Annual Benefit Statement (93.5% issued). As a result, of this short time delay Board members deemed this not 'material' and no breach of law was reported to the Pension Regulator.

Although the legislation only requires Annual Benefit Statements to be issued to alpha members, Civil Service Pensions also issued Annual Benefit Statements to members of the PCSPS(NI) following the completion of the issuing of alpha benefit statements. By 25 February 2020 Civil Service Pensions had issued 99.66% of alpha statements and 98.49% of non-alpha statements.

During 2019/20 Civil Service Pensions continued to progress outstanding issues with employers for whom outstanding data prevented or delayed the completion of the Annual Benefit Statement exercise for this year.

Actuarial Scheme Valuation at 31 March 2016

The Public Service Pensions Act (Northern Ireland) 2014 sets out requirements for the reform of public service pension scheme arrangements in Northern Ireland from 1 April 2015. The reforms carried in the Act are based on the recommendations of the Independent Public Service Pensions Commission to make public service schemes sustainable in the long term and more equitable for both public service staff and the taxpayer.

A key recommendation of the Commission was the establishment of a common approach for public service pension scheme valuation and cost control processes. The intention is to aid transparency, effective oversight and analysis of public service schemes, and to help ensure a fair balance of risk between scheme members and the taxpayer is maintained across the schemes for the future.

The final 2016 Actuarial Scheme Valuation Report was published on 29 July 2019.

Resource Accounts 2019/2020

Superannuation and Other Allowances Resource Accounts are prepared annually and present the financial results for the relevant financial year. The Resource Accounts are laid before the Northern Ireland Assembly by the Department of Finance under section 10(4) of the Government Resources and Accounts Act (Northern Ireland) 2001.

Whilst it is not within the remit of the Board to approve the scheme accounts, the Board duly note their contents on an annual basis. It is commendable that the NI Audit Office did not make any recommendations or even observations and that this was indeed an unqualified and very clean audit opinion.

The DoF Superannuation and Other Allowances Resource Accounts for the year

ended 31 March 2020 is available online at: <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>

Looking ahead 2020/21

The Pension Board will meet on a quarterly basis from April 2020. The Board has agreed a Work Plan for the year 2020/21 including the following areas:

- Conflict of Interest and Register of Interest Policy Review;
- Pension Increase and Scheme indexation for 2020;
- Implementation of the new IT system;
- Issuing of Annual Benefit Statements;
- Report of the Managers;
- Audit Plan;
- IDR/Pensions Ombudsman cases update; and
- Assessment of Communications.

The Board will continue to assess compliance against both the legal requirements and the Pensions Regulator's Code 14 on scheme governance.

An external recruitment competition launched by the Department of Finance in early 2020 to appoint a new Chairperson of the Northern Ireland Civil Service Pension Board will conclude during the next reporting cycle. The successful candidate will succeed Mr Sean McKeever whose term as Chair ends in September 2020 after a period of 5 years. Although this appointment process is not regulated by the Commissioner for Public Appointments in Northern Ireland, it reflects the principles and practices of the Code.

Contact details

If you would like more information on the Pension Board or have any queries on the content of this report please contact: NICSPBoard@finance-ni.gov.uk.

Northern Ireland Civil Service Pension Board Membership at 31 March 2020

Independent Chair:

Sean McKeever

Northern Ireland Civil Service Employer Representative:

Jayne Forster Department of Finance

John Crosby Department of Finance

Michael Cowan Department of Justice

Northern Ireland Civil Service Employee Representative:

Bumper Graham Northern Ireland Public Service Alliance (NIPSA)

John McCloskey Northern Ireland Public Service Alliance (NIPSA)

Laurence McCann FDA

Non-Voting Representatives:

Margaret Coyle Department of Finance

Gary Fair Department of Education

Others:

Grace Nesbitt Director of Pensions Division

Colette Heaney Civil Service Pensions Scheme Manager



Northern Ireland Civil Service Pension Board

Terms of Reference

1. INTRODUCTION:

- 1.1. The paper sets out the Terms of Reference for the Northern Ireland Civil Service Pension Board (NICSPB), which was established from 1 April 2015, in accordance with Article 4 of the Public Service Pensions Act (Northern Ireland) 2014. The Scheme Manager is responsible for managing, administering and reviewing the Board's terms of reference. Any changes arising from such reviews would be subject to consultation with member and employer representatives.

2. SCOPE OF THE NICSPB:

- 2.1. The purpose of the NICSPB is to carry out, within the constraints of the Scheme Manager, the roles and responsibilities that a Trustee Board would fulfil for a private sector occupational pension scheme.
- 2.2. The NICSPB's overriding aim is to ensure that all members² receive their correct benefits on time and in accordance with the scheme rules and regulations. The Board will seek to ensure that in general members experience good outcomes and receive excellent customer service.
- 2.3. The NICSPB will ensure effective administration and proper use of scheme funds in accordance with such Codes of Practice that may be issued by the Pensions Regulator.
- 2.4. The NICSPB does not have responsibility for providing advice on the desirability of changes to the scheme and on matters of policy.

3. ROLES AND RESPONSIBILITIES OF THE NICSPB:

² All members' means active, deferred and pensioner members of the Northern Ireland Civil Service pension schemes.

- 3.1. The NICSPB will ensure the effective administration of the scheme by scrutiny of the level and quality of service provided for the membership, employers and others by the administrator, other service providers and the Government Actuary's Department.
- 3.2. The NICSPB is responsible for ensuring that effective audit arrangements are in place.
- 3.3. The NICSPB is responsible for ensuring that effective risk management arrangements are in place.
- 3.4. The NICSPB will provide a statement of assurance to the Accounting Officers, members and employers about the effective financial management including contribution collection, financial forecasting, and debt management; that beneficiaries receive the benefits to which they are entitled under the rules and regulations of the schemes and production of annual scheme accounts. This assurance will be given in the NICSPB Annual Report.
- 3.5. The NICSPB will oversee the development of processes and systems to incorporate any statutory requirements.
- 3.6. The NICSPB will ensure compliance with scheme data management requirements identified in the Review of the Public Service Pensions Act (Northern Ireland) 2014 and ensure that adequate Data Sharing Agreements and Participation Agreements are in place.
- 3.7. The NICSPB will adhere to regulatory requirements (e.g. The Pensions Regulator), respond to any requests/directions made by the Pensions Regulator and report breaches of the law to the Pensions Regulator when they have reasonable cause to believe that:
 - a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with; and
 - failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.

4. COMPOSITION:

- 4.1. The NICSPB is established in compliance with the Public Service Pensions Act (Northern Ireland) 2014.
- 4.2. The Scheme Manager is responsible for the appointment of the Independent Chairperson of the NICSPB.
- 4.3. The NICSPB consists of the following:
 - One independent Chairperson person (voting member);

- At least three scheme member representatives (voting members) nominated from member representative bodies;
 - At least three employer representatives (voting members) nominated from employer representative bodies; and
 - Two non-executive members (non-voting members) to bring experience of best practice; independent advice; challenge; pensions' technical expertise; and experience of financial and operational delivery.
- 4.4. The two non-executive members will include one from the policy area that manages the scheme (Civil Service Pensions) and one with a finance background.
- 4.5. The Head of Pensions Division will monitor the Pension Board tenures to ensure continuity and experience is sustained.
- 4.6. Members of the NICSPB will represent the interests of all of the scheme's beneficiaries, the participating employers and the Accounting Officer and not simply the interests of the organisation that nominated them.
- 4.7. Appendix A gives the terms and conditions that apply to NICSPB members.

5. MEETINGS:

- 5.1. Frequency: The NICSPB will meet quarterly and at such other times as the Chairperson/member decides is necessary. Wherever possible at least 7 days' notice will be given of any non-scheduled meeting.
- 5.2. Format: Meetings can be conducted in person, over the telephone or via a tele-conference/video-link, as decided by the Chairperson. If the Chairperson is not present within fifteen minutes of the time appointed for holding the meeting, Board members present may nominate and agree a Chairperson for the meeting. In these cases the nominated Chairperson will not have a casting vote.
- 5.3. Quorum: Five members of the NICSPB will represent a quorum for meetings. The Board members in attendance must include at least two employer representatives and two member representatives.
- 5.4. Attendance: The NICSPB can decide to ask other advisers, representatives from third party suppliers and any other person to attend its meetings as it sees fit. The Policy and Operations Managers for Civil Service Pensions will attend Board meetings and introduce papers and discussions, as necessary.
- 5.5. Decisions: All NICSPB Board members with voting powers will have a single vote and items arising at any meeting will be decided by a majority of members present and eligible to vote. In the case of an equality of votes the Chairperson will have a casting vote. The NICSPB may agree on a decision outside of a meeting if the majority of voting members confirm their agreement either in

writing or by electronic mail. Any such decision will be as valid and effective as if it had been passed by a meeting of the NICSPB.

- 5.6. Papers: The NICSPB Secretariat must circulate all papers at least one week in advance of any meeting (unless a shorter period is agreed by the Chairperson).
- 5.7. Minutes: Draft minutes are to be forwarded to the Chairperson for agreement within ten working days and thereafter circulated to NICSPB members. Minutes to be cleared by Board members at next meeting and any redactions submitted to the Secretariat no later than ten working days following the conclusion of said meeting.
- 5.8. Minutes for publication to be circulated to Board members for final approval prior to publication on the Civil Service Pensions website.

6. COMMITTEES AND SUB-GROUPS:

- 6.1. The NICSPB may establish such committees and sub-groups as it sees fit. The NICSPB will decide whether the sub-groups/committees need to have separate Terms of Reference.
- 6.2. The NICSPB will agree, and can amend, each sub-group/committee's Terms of Reference.
- 6.3. The NICSPB will appoint and remove members of the committees/sub groups. The NICSPB may, as it sees fit co-opt persons who are not members of the NICSPB to serve on its sub-groups/committees. Such persons need not be representatives of members, employers or the Department.
- 6.4. The NICSPB Chairperson will appoint a NICSPB member as the Chairperson of each sub-group.
- 6.5. The quorum for committees and sub-groups will be agreed at the time.

7. AUTHORITIES AND RESTRICTIONS:

- 7.1. The NICSPB will revert to the Scheme Manager to raise an issue with the relevant service providers which it identifies. Also, where necessary, the Board will advise on the budget for that additional work to be undertaken before the issues are resolved. Any NICSPB authority will also be subject to the existing contractual agreements and requirements relating to public sector procurement.
- 7.2. The Department will consult and take into consideration the views of the NICSPB on matters that will materially affect the cost and/or the range and quality of services provided by the administration. The Department will remain responsible for all contractual agreements and any proposed changes, and for the commissioning of any additional work by third parties.

8. MONITORING FINANCE AND SCHEME ACCOUNTING:

- 8.1.** The NICSPB will assist the scheme's Accounting Officer by monitoring the performance of Civil Service Pensions as it applies to the Northern Ireland Civil Service pension arrangements in ensuring that the scheme receives all monies properly and safeguards the regularity and propriety of income and expenditure in relation to the schemes.
- 8.2.** The NICSPB will oversee and monitor the Northern Ireland Civil Service Pension Scheme budget forecasting, estimating and modelling.
- 8.3.** The NICSPB will monitor audit arrangements:
- Expenditure: The NICSPB will monitor the accuracy and completeness of expenditure records.
 - Contributions: The NICSPB will monitor the accuracy and completeness of contributions received.
 - Debt Management: The NICSPB will monitor the efficacy of debt management.

9. EVALUATING AND MANAGING RISK:

- 9.1.** The NICSPB will use sources of information such as audit reports, service contracts, complaints and administration reports to help identify areas of risk which could be detrimental to the scheme and members or impede the NICSPB in carrying out its roles, responsibilities and duties effectively.
- 9.2.** The NICSPB will develop a process to evaluate the risks, in order to identify those that are critical and the evaluation process should include consideration of the impact and likelihood of a risk materialising.
- 9.3.** The NICSPB will record the risks identified in a risk register which will be reviewed and updated at each meeting as appropriate.

10. REPORTING:

- 10.1.** The Chairperson of the NICSPB will report at least annually, for information purposes, on the activities of the NICSPB by means of an Annual Report published on the Civil Service Pensions website.

11. POWERS:

- 11.1.** The NICSPB may exercise discretionary powers delegated by the Scheme Manager in the scheme regulations.

12. MONITORING EMPLOYERS:

12.1. The NICSPB is responsible for overseeing and constructively engaging with employers who participate in the NICS pensions arrangements with regard to the correct provision of data, for active members (and where required, pensioner or deferred members), and contributions to the NICS Pensions Schemes.

13. CHANGES TO NICSPB TERMS OF REFERENCE:

13.1. The NICSPB may recommend to the Scheme Manager any changes to these Terms of Reference and accompanying appendix.

13.2. The NICSPB will review these Terms of Reference no later than every three years commencing 2019.

14. OTHER

14.1. The NICSPB may consider any other items specifically referred to it and to take decisions specifically delegated to it by the Scheme Manager from time to time.

15. REMUNERATION AND EXPENSES

15.1. Members of the NICSPB nominated by NICS employers who are currently employed by an organisation covered by the Northern Ireland Civil Service Pension arrangements would normally be expected to claim any expenses from their employer.

15.2. Similarly, members of the NICSPB nominated by TUS would normally be expected to claim any expenses from their nominating union.

15.3. The independent Chairperson, appointed by the Scheme Manager, will be paid expenses and may be paid fees, depending on the circumstances and what was agreed on appointment.

16. SECRETARIAL SUPPORT

16.1. Civil Service Pensions within the Department of Finance will provide secretariat support for the group. Duties of the Secretariat include:

- arranging and managing the meetings of the NICSPB;
- preparing or commissioning papers for the NICSPB to consider;
- collating administration performance statistics; and
- drafting papers/reports on behalf of the NICSPB.

16.2. Prior to actuarial valuation of the Northern Ireland Civil Service Pension Schemes, the NICSPB will meet with the Scheme Actuary to consider the approach to be taken in setting assumptions.

TERMS AND CONDITIONS OF NICSPB MEMBERSHIP

1. With the exception of the non-executive representatives and the Northern Ireland Civil Service Pensions representative, appointments to the NICSPB are personal. There can be no alternate representation for any member of the NICSPB.
2. Each member will endeavour to attend all scheduled NICSPB meetings and details of attendance at meetings will be published in the Annual Report. Where ad hoc meetings are called, all NICSPB members should make best efforts to attend.

Appointment and Removal

3. Chairperson: The Chairperson will be appointed by the Scheme Manager.
4. Member representatives: Member representative bodies will be invited to nominate at least three candidates in writing to be put forward into the selection process for members of the NICSPB, with the Scheme Manager approving final appointments.
5. Employer representatives: Employer bodies will be invited to nominate at least three candidates in writing to be put forward into the selection process for members of the NICSPB, with Scheme Manager approving final appointments.
6. Non-Executive members: The Scheme Manager will invite and consider nominations, based on the candidates' roles within public sector pensions and finance.
7. Members resigning from the NICSPB should where possible provide a minimum of six months' notice in writing to the Chairperson.
8. Where a member resigns from the NICSPB it will be the member's representative body or employer bodies responsibility to nominate a suitable successor (agreed by both the Board Chairperson and scheme manager) to be in place within 6 months of the member's planned departure. The proposed successor will shadow the current member and will not hold any voting rights until they fully assume the role of Board member.
9. The NICSPB will agree an appointment schedule for Board members which is to be considered when Board members stand down to ensure continuity of membership expertise. The Head of Pensions Division will also provide an oversight to ensure continuity.
10. The Chairperson of the NICSPB will ask the Department to consider the removal of any member of the Board, if all the other voting members unanimously agree to this course of action. Examples include repeated non-

attendance at meetings without a valid explanation or actions leading to the reputational damage of the Board.

11. The Chairperson will undertake performance management of each Board member annually, and can recommend to the Department the removal of a Board member or the non-renewal of their appointment.
12. The Scheme Manager will undertake performance management of the Chairperson annually and can recommend to the Department and Board members the removal of the Chairperson or the non-renewal of their appointment.

Terms of Office

13. The appointment of the Chairperson will be for a three-year term with Scheme Manager's discretion to extend for a further two years.
14. The appointment of Board members (excluding the non-executive representatives) will be for a five-year term, and such members will normally not hold office for more than two terms unless expressly agreed by the scheme manager.
15. The tenure of the non-executive representative appointments will coincide with the time the individual holds the relevant post.

Induction and Training

16. NICSPB members will receive induction training to gain an up-to-date and working knowledge of the Northern Ireland Civil Service Pension arrangements.
17. Board Members must keep their knowledge up to date and maintain a written record of their relevant training and development during their appointment.
18. Board Members will be conversant with scheme documents and have appropriate knowledge and understanding of the scheme rules and regulations and the principles of Northern Ireland Civil Service Pension Schemes' funding as well as The Pensions Regulator's requirements and Codes of Practices.

CIVIL SERVICE PENSIONS YEAR TO DATE STATS (1 April 2019 – 31 March 2020)

TRANSACTION TYPE	CLEARANCE TARGET	NO OF CASES PROCESSED	YEAR TO DATE %	COMMENTS:
Complaints about Service:				
- Stage 1	within 10 w.days from date all necessary information available. (100%)*	7	100	
- Stage 2	within 10 w.days from date all necessary information available. (100%)*	3	100	
Internal Dispute Resolutions:				
- Stage 1	within 4 months from date of receipt 100%	44	100	
- Stage 2	within 4 months from date of receipt 100%	16	100	
TPAS	1 month	2	100	
Ombudsman	21 days	14	100	
AWARDS:				
Current Member awards (excluding ill-health awards)	within 6 w.days from date all necessary information available.(95%)	1,444	99.4	
Ill- health awards	within 6 w.days from date all necessary information available.(95%)	177	99.4	
Death in service	Within 10 w. days from date all necessary information available. (100%)	31	100	
PAYROLL:				
Payroll Processing	Payroll run to agreed timetable both for BACS and cheque payments. (100%)	n/a	100	