

# **LEICESTERSHIRE**

## **FIRE and RESCUE SERVICE**

**Status of Report:** Public

**Meeting:** Pensions Board

**Date:** 10 February 2021

**Subject:** Leicestershire Fire and Rescue Service Firefighter's Pension Scheme (FFPS) Risk Register

**Report by:** The Treasurer/Scheme Manager

**Author:** Alison Greenhill

**For:** Discussion

### **1. Purpose**

1.1 The purpose of this report is to present to the Local Pension Board (the Board) the risk register for the Leicestershire Fire and Rescue Service Local Pension Scheme.

### **2. Recommendations**

2.1 The Local Pension Board is asked to review the content of the risk register attached at Appendix 1. The Board is asked to then approve the register if it feels that, subject to any amendments it makes, it adequately reflects current risks.

### **3. Background**

3.1 Good governance ensures that there is an appropriate Risk Register in place. It is also a requirement of the Pensions Regulator's code of practice on the governance and administration of public service pension schemes to have in place a Risk Register which is regularly reviewed.

3.2 The risk register consists of relevant risks to LFRS FFPS considering both the administration of pensions by LFRS staff and its relationship and work undertaken by the administering body being West Yorkshire Pension Fund.

3.3 The process used to identify and score risks is that of best practice and using the definition of risk taken from the International Risk Management Standard ISO31000. All risks cannot be eliminated however risk appetite and risk

awareness are key in ensuring that risks the Board are exposed to are appropriately managed.

- 3.4 Each identified risk has been scored using the 5 x 5 risk matrix as set out in Appendix 2.
- 3.5 Each risk is scored as it currently is with existing actions/controls and then further management actions/controls are identified which should have the effect of reducing the risk score.
- 3.6 The risk register will be reviewed quarterly by the Scheme Manager, Area Manager Finance (LFRS) and the Pensions Administration Manager (WYPF).
- 3.7 Risk 6 has been updated reflecting the progress made in agreeing a tri-service agreement for specialist pensions advice. A Service Level Agreement/contract is currently being finalised.

#### **4. Background Papers**

LPR Code of Practice no 14 (Governance and administration of public pension schemes).

ISO 31000 – Risk management principles and guidelines standard

BS65000 – Guidance on Organisational Resilience.

#### **Appendix**

Appendix 1 – Firefighters Pension Scheme Risk Register

Appendix 2 - Risk Assessment Matrix

#### **Officer to Contact**

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Firefighters Pension Scheme Risk Register

PRR REF	HAZARD STATEMENT	PRIMARY RISK HEADING	SECONDARY RISK DESCRIPTOR	CONTROL MEASURES IN PLACE	CURRENT RISK (after current control measures)				CONTROL MEASURES TO BE IMPLEMENTED	CONTROL MEASURE OWNER	PROJECTED IMPLEMENTATION DATE FOR ALL CONTROL MEASURES	RESIDUAL RISK (after all control measures implemented)			
					L	I	R	ML				L	I	R	ML
1	Failure to administer the scheme in line with regulations and policies	Regulatory	Administration failure	Up to date knowledge through various sources such as SAB and the Home Office. Up to date training. Attendance at regional fire administrator working group. Information on the scheme is held on the Firefighters section of the LGSS Pensions Service website.	1	4	M	TACT				1	4	M	TACT

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					L	I	R	ML				L	I	R	ML
2	Those charged with governance of the Scheme are unable to fulfil their responsibilities effectively.	Regulatory	Reputation	Requires Board members to receive continuing training.	2	2	M	OPS	Proposed creation of a Joint East Midlands Pension Board to provide efficiency and resilience	Scheme Manager	No date available, requires ministerial approval and other matters are occupying ministerial time	1	2	L	OPS

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3	Policies not being in place and up to date	Regulatory		Policies to be reviewed and updated	3	3	H	TACT	HR action plan includes a review of all policies as part of the HR strategy			2	2	M	OPS

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4	Failure to recognise/manage conflicts of interest	PEOPLE		Declarations of interests at the beginning of each meeting.	1	2	L	OPS				1	2	L	OPS

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5	Potential fraudulent activity by staff/scheme members	PEOPLE	Illegal expenditure	Review of finance function set out clear roles and responsibilities for those administering pensions. HR review of processes currently underway. National Fraud Initiative participation of review of declarations of interest policy. Internal audit of pensions (CFA and administrator)	1	3	M	TACT				1	4	M	TACT

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6	Changes to the Firefighters Pension Scheme and lack of expertise in the revised/new area.	Business process	Breach of regulation	The use of advisors (e.g. LGA) where deemed applicable to provide relevant information and recommendations on particular areas.	2	3	M	TACT	Tri-service pension advisor role has been agreed	Scheme Manager	Jan 2021	1	3	M	OPS

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7	Failure to provide adequate information to the Pension Board.	Regulatory	Breach of regulation	Board meetings held quarterly at which key information relating to the administration of the Scheme(s) is provided. Extraordinary meetings can also be arranged for urgent items.	1	2	L	OPS				1	2	L	OPS



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8	Failure to include all required information in documents issued to members under disclosure regulations	Regulatory	Breach of regulation	Officers keep up to date with disclosure regulations and distribute knowledge to teams accordingly via relevant websites, seminars and working groups.	1	4	M	TACT				1	4	M	TACT

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9	Failure to communicate adequately with scheme members	PEOPLE	Negative impact on staff. Breach of regulation	Website regularly updated. Newsletters are published annually, Annual Benefit Statements produced and distributed	2	3	M	TACT	Regular pension roadshows to be arranged inviting all 3 FA's employees to update on the FFPS	3 x scheme managers and LCC pensions manager	Rolling programme	1	3	M	OPS

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10	Records are not accurate or do not reflect changes in circumstances.	PEOPLE	Business process	Records are supported by appropriate documentation, input and output checks are undertaken. Regular reviews of data quality in line with the Public Service Pensions (Record keeping and misc. amendments) Regulations 2014.	1	4	M	TACT				1	4	M	TACT

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12	Barriers to promotion and retention of senior staff due to annual allowances tax burden	PEOPLE	Negative impact on staff	Arrangements in place with Notts/Derbyshire to share relevant pensions expertise/resource	4	3	H	TACT	Rolling programme of pension roadshows	Scheme Manager	Ongoing	3	3	H	TACT

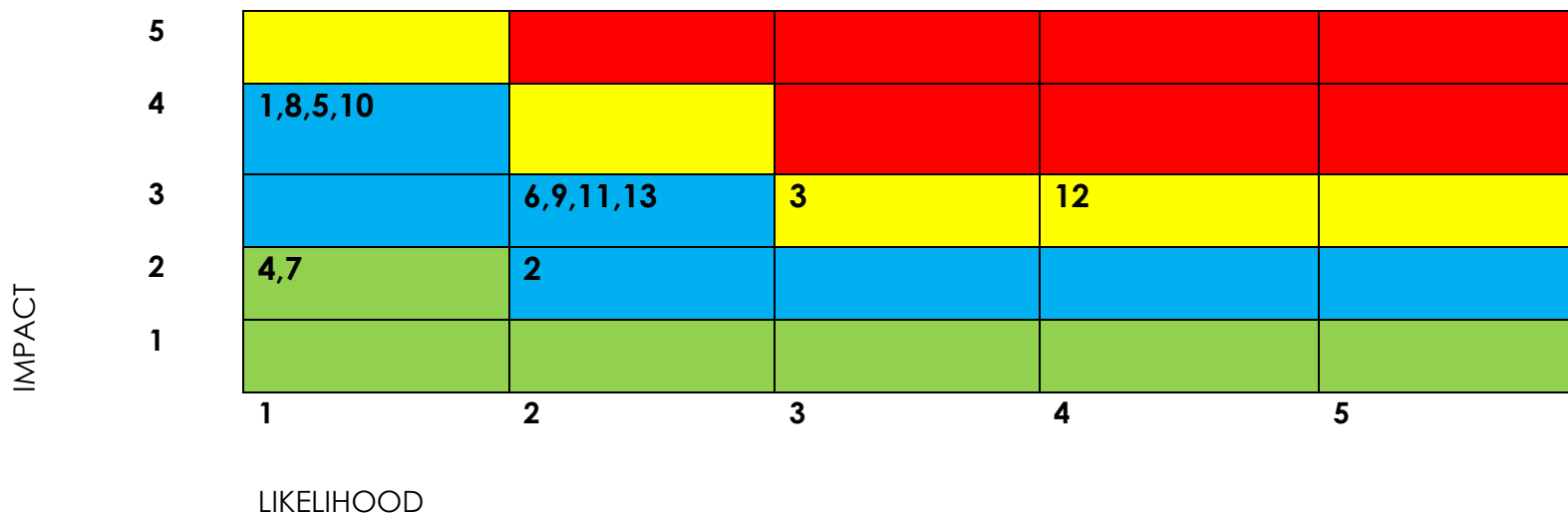
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14	Failure to implement the new Fire Pensions Administrator on time	PEOPLE	Business process	Existing contract extended to 31.12.20, project team and plan in place, contract awarded	1	3	M	TACT				1	3	M	TACT

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15	Impact of the McCloud judgement	PEOPLE	Breach of regulation Negative impact on staff	Regional working with Notts/Derbys fire pensions experts and with the LGA	3	3	H	TACT	Ensure new pensions administration supplier is fully able to undertake the necessary remedies when known	Pensions Administrator	April 2021?	2	3	M	TACT

**ASSESSMENTS REMOVED OR ARCHIVED DURING THE CURRENT YEAR**

CRR REF	HAZARD STATEMENT	FINAL RISK ASSESSMENT SCORE				REASON FOR REMOVAL	WHEN REMOVED
		L	I	R	ML		

**Risk Assessment Matrix**



<b>VERY HIGH</b>	High level risk with the potential to cause catastrophic damage to the reputation, finances or governance of the Service
<b>HIGH</b>	Mid-high level risk possibly requiring significant amendment to policy/procedure and significant financial outlay
<b>MEDIUM</b>	Low –mid level risk possibly requiring new policy and/or some financial outlay
<b>LOW</b>	Low level risk capable of being managed within normal service policy and procedure

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