

Status of Report: Public Agenda Item:

Meeting: Pensions Board

Date: 20th June 2018

Subject: LF&RS Firefighter's Pension Scheme (FFPS) Risk

Register

Report by: The Treasurer/Scheme Manager

Author: Alison Greenhill

For: Discussion

1. Recommendations

1.1 The 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.

2. Background

- 2.1 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.
- 2.2 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 Leicestershire County Council.
- 2.3 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.
- 2.4 Each identified risk has been scored using the 5 x 5 risk matrix as shown below.

	Almost Certain 5	5	10	15	20	25
	Probable/Likely 4	4	8	12	16	20
)D (A)	Possible 3	3	6	9	12	15
ПКЕПНООБ (А)	Unlikely 2	2	4	6	8	10
	Very unlikely/ Rare 1	1	2	3	4	5
		Insignificant/ Negligible 1	Minor 2	Moderate 3	Major 4	Critical/ Catastrophic 5
			IMPA	CT (B)		

LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

- 2.5 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.
- 2.6 The risk register will be reviewed quarterly by the Scheme Manager, Area Manager Finance (LFRS) and Pensions Manager (LCC).

3. 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 1 – Firefighters Pension Scheme Risk Register

PRR REF	HAZARD STATEMENT	PRIMARY RISK HEADING	SECONDARY RISK DESCRIPTOR	CONTROL MEASURES IN PLACE		fter		RISK t control res)	CONTROL MEASURES TO BE IMPLEMENTED	CONTROL MEASURE OWNER	PROJECTED IMPLEMENTATION DATE FOR ALL CONTROL	(after m	all c	L RISK control res nted)
					L	I	R	ML	IMI LEMENTED		MEASURES	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	STRAT				1	4	M	TACT

PRR REF	HAZARD STATEMENT	PRIMARY RISK HEADING	SECONDARY RISK DESCRIPTOR	CONTROL MEASURES IN PLACE		fter		T RISK nt control res)	CONTROL MEASURES TO BE IMPLEMENTED	CONTROL MEASURE OWNER	PROJECTED IMPLEMENTATION DATE FOR ALL CONTROL	(after m	all c easu	L RISK control res nted)
					L	I	R	ML	INTELEMENTED		MEASURES	L	I	R	ML
2	Those charged with governance of the Scheme are unable to fulfil their responsibilitie s 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	Jan 2019	1	2	L	OPS

PRR REF	HAZARD STATEMENT	PRIMARY RISK HEADING	SECONDARY RISK DESCRIPTOR	CONTROL MEASURES IN PLACE	(afte		T RISK nt control rres)	CONTROL MEASURES TO BE IMPLEMENTED	CONTROL MEASURE OWNER	PROJECTED IMPLEMENTATION DATE FOR ALL CONTROL MEASURES	(0	after m	all c easu	L RISK control res nted)
					LI	R	ML				L	1	R	ML
3	Policies not being in place and up to date	Regulatory		Policies to be reviewed and updated	3 3	Н	TACT	HR action plan includes a review of all policies as part of the HR strategy			2	2	M	OPS

PRR REF	HAZARD STATEMENT	PRIMARY RISK HEADING	SECONDARY RISK DESCRIPTOR	CONTROL MEASURES IN PLACE		fter	curre	NT RISK ent control ures)	CONTROL MEASURES TO BE IMPLEMENTED	CONTROL MEASURE OWNER	PROJECTED IMPLEMENTATION DATE FOR ALL CONTROL		(afte r	er all neas	AL RISK control ures ented)
					L	I	R	ML	IMITELMIENTED		MEASURES	L	I	R	ML
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

PRR REF	HAZARD STATEMENT	PRIMARY RISK HEADING	SECONDARY RISK DESCRIPTOR	CONTROL MEASURES IN PLACE		(afte	er cu	rent asures)	CONTROL MEASURES TO BE IMPLEMENTED	CONTROL MEASURE OWNER	PROJECTED IMPLEMENTATION DATE FOR ALL CONTROL	(aftei m	all c easu	RISK ontrol res
					L	I	R	ML			MEASURES	L	I	R	ML
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	2	4	T T	TACT	Implementation of finance review	Area Manager finance	31.08.18	1	4	M	TACT

PRR REF	HAZARD STATEMENT	PRIMARY RISK HEADING	SECONDARY RISK DESCRIPTOR	CONTROL MEASURES IN PLACE		(aft	er cu	rent asures)	CONTROL MEASURES TO BE IMPLEMENTED	CONTROL MEASURE OWNER	PROJECTED IMPLEMENTATION DATE FOR ALL CONTROL	(after me		
					Г	Ι	R	ML	IMPLEMENTED		MEASURES	L	I	R	ML
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	Proposed creation of a Joint East Midlands Pension Board to provide efficiency and resilience	Scheme Manager	Jan 2019	1	3	M	OPS

PRR REF	HAZARD STATEMENT	PRIMARY RISK HEADING	SECONDARY RISK DESCRIPTOR	CONTROL MEASURES IN PLACE		(afte	er cur	RISK rent isures)	CONTROL MEASURES TO BE IMPLEMENTED	CONTROL MEASURE OWNER	PROJECTED IMPLEMENTATION DATE FOR ALL CONTROL	(0	after me	all co	RISK ontrol es ted)
					L	I	R	ML	IMITEMENTED		MEASURES	L	I	R	ML
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	-	OPS				1	2	-	OPS

PRR REF	HAZARD STATEMENT	PRIMARY RISK HEADING	SECONDARY RISK DESCRIPTOR	CONTROL MEASURES IN PLACE		(aft	er cu	RISK rrent asures)	CONTROL MEASURES TO BE IMPLEMENTED	CONTROL MEASURE OWNER	PROJECTED IMPLEMENTATION DATE FOR ALL CONTROL	(aftei m	all c	CRISK ontrol res
					L	I	R	ML	IMPLEMENTED		MEASURES	L	I	R	ML
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

PRR REF	HAZARD STATEMENT	PRIMARY RISK HEADING	SECONDARY RISK DESCRIPTOR	CONTROL MEASURES IN PLACE		(al	fter c	NT RI currer leasu	nt	CONTROL MEASURES TO BE	CONTROL MEASURE OWNER	PROJECTED IMPLEMENTATION DATE FOR ALL	m	(a	fter a	AL RISK Il control oplemented)
					L	1	R		ML	IMPLEMENTED	• · · · · · · · · · · · · · · · · · · ·	CONTROL MEASURES	L	I	R	ML
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		N T	ACT				2	3	M	TACT

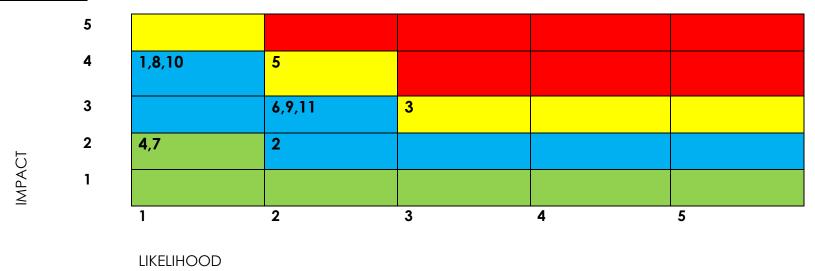
PRR REF	HAZARD STATEMENT	PRIMARY RISK HEADING	SECONDARY RISK DESCRIPTOR	CONTROL MEASURES IN PLACE		(aft	er cur	asures)	CONTROL MEASURES TO BE IMPLEMENTED	CONTROL MEASURE OWNER	PROJECTED IMPLEMENTATION DATE FOR ALL CONTROL	((aftei m		
					L	ı	R	ML	IN ELMENTED		MEASURES	L	I	R	ML
10	Records are not accurate 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	×	TACT				1	4	M	TACT

PRR REF	HAZARD STATEMENT	PRIMARY RISK HEADING	SECONDAR Y RISK DESCRIPTOR	CONTROL MEASURES IN PLACE	CURRENT RISK (after current control measures)		K urrent rol	CONTROL MEASURES TO BE IMPLEMENTED	CONTRO L MEASURE OWNER	PROJECTED IMPLEMENTATION DATE FOR ALL CONTROL	RESIDUAL RISK (after all control measures implemented)				
					L	I	R	ML			MEASURES	L	ı	R	ML
11	Lack of knowledge retention due to small number of expert staff within LFRS	PEOPLE	Business process. Breach of regulation	Arrangements in place with Notts/Derbyshire to share relevant pensions expertise/resource	2	3	M	TACT	Proposed creation of a Joint East Midlands Pension Board to provide efficiency and resilience	Scheme Manager	Jane 2019	1	3	Λ	OPS

ASSESSMENTS REMOVED OR ARCHIVED DURING THE CURRENT YEAR

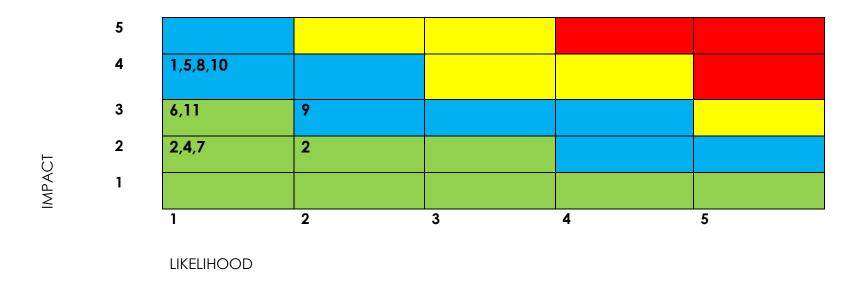
CRR	HAZARD STATEMENT	FINAL	RISK ASSESSA	MENT SCORE		REASON FOR REMOVAL	WHEN REMOVED		
REF		L	I	R	ML				

Risk Assessment Matrix



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

Risk Management Matrix



CORPORATE	Those risks likely to require management oversight by the CFA and/or SMT
STRATEGIC	Those risks likely to require management oversight by SMT
TACTICAL	Those risks likely to require management oversight by the HSW&CRM Committee and sub-groups, Group Manager's Team (GMT)and/or individual Directors
OPERATIONAL	Those risks likely to require management oversight by individual Group and Station Managers and/or GMT