

# **LEICESTERSHIRE**

## **FIRE and RESCUE SERVICE**

**Status of Report:** Public                      **Agenda Item:** 7

**Meeting:** Pensions Board

**Date:** 14<sup>th</sup> March 2018

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

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

**Author:** Alison Greenhill

**For:** Discussion

### **1. Recommendations**

1.1 The board is asked to discuss the content of the first draft 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 At the last meeting of the Pensions Board, the Scheme Manager agreed to prepare a draft risk register for the next meeting. This first draft is attached at Appendix 1.

2.3 The draft 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.

2.4 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.

2.5 Each identified risk has been scored using the 5 x 5 risk matrix as shown below.

LIKELIHOOD (A)	Almost Certain 5	5	10	15	20	25
	Probable/Likely 4	4	8	12	16	20
	Possible 3	3	6	9	12	15
	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
IMPACT (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

2.6 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.

2.7 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 Draft Risk Register

Risk No	Risk	Gross Impact	Gross Likelihood	Gross Total	Internal Controls	Residual Impact	Residual Likelihood	Residual Total
1	Failure to administer the scheme in line with regulations and policies	4	2	8	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.	3	1	3
2	Those charged with governance of the Scheme are unable to fulfil their responsibilities effectively.	3	2	6	Requires Board members to receive continuing training.	2	2	4
3	Policies not being in place and up to date	3	3	9	Policies to be reviewed and updated	2	2	4
4	Failure to recognise/manage conflicts of interest	3	2	6	Declarations of interests at the beginning of each meeting.	1	1	1
5	Potential fraudulent activity by staff/scheme members	4	2	8	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.	5	1	5
6	Changes to the Firefighters Pension Scheme and lack of expertise in the revised/new area.	3	3	9	The use of advisors (e.g. LGA) where deemed applicable to provide relevant information and recommendations on particular areas.	2	2	4
7	Failure to provide adequate information to the Pension Board.	3	2	6	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.	2	2	4
8	Failure to include all required information in documents issued to members under disclosure regulations	4	3	12	Officers keep up to date with disclosure regulations and distribute knowledge to teams accordingly via relevant websites, seminars and working groups.	3	2	6
9	Failure to communicate adequately with scheme members	3	3	9	Website regularly updated. Newsletters are published annually, Annual Benefit Statements produced and distributed.	3	2	6
10	Records are not accurate or do not reflect changes in circumstances.	4	3	12	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.	2	2	4
11	Lack of knowledge retention due to small number of expert staff within LFRS	3	3	9	Arrangements in place with Notts/Derbyshire to share relevant pensions expertise/resource.	2	1	2

