

## Firefighter Pension Scheme Risk Register

Risk Area - OPERATIONS	Likelihood	Impact	Score	Control	Owner	Test / Review	Comments
Operational disaster (i.e. flood/fire)	1	8	8	All records are stored electronically. Data is backed up regularly and server providers also have business continuity procedures in place.	Pension Provider	Annual review	Business continuity and safety/security of records is part of contract agreements
				The majority of pension documents are electronic and all personnel files have been scanned.  Data is regularly backed up, can be accessed from anywhere on the network and server providers also have business continuity procedures in place.	Scheme Manager	Ongoing	Business continuity and safety/security of records is part of data storage contract agreements
				Contracts with pension provider are stored electronically and hard copy stored in Legal Dept	Scheme Manager	In line with contract dates	
Member data incomplete or inaccurate	3	8	24	Annual reconciliation of member data to ensure accuracy and resolve any gaps	Scheme Manager	Annual	Currently, checks are completed in preparation for annual returns.
				Annual data check of common data and any addresses found to be incorrect are investigated using a tracing agency	Pension Provider / Scheme Manager	Annual	
				Robust payroll processes in place to ensure accuracy of data sent to pension provider	Scheme Manager / MFSS	Review Annually	Responsibility for notifying Provider of starters, leavers and changes will pass to MFSS from April 2019.

Administration Failure / Maladministration	4	9	36	Formal agreement in place with pension provider including SLAs	Scheme Manager	Quarterly	Receive quarterly reports from the provider's performance management system outlining where SLAs have been met / breached.  Provider presents report to the Pension Board at each meeting.
				Authority Levels and signatory lists clearly documented and up to date	Scheme Manager / Provider	When there is a change in staff or policy	
				Review Pension Providers audit reports	Scheme Manager	Annually	
				Close management of administration contract	Scheme Manager	Quarterly	Scheduled quarterly contract meetings with provider.
				Robust internal controls in place for both the pension provider and CFRS including: - Counter checks by senior team member for all calculations - Provider to have documented controls for all calculations and payments - CFRS to check agreement with all calculations for pension and lump sums.	Scheme Manager / Provider	Ongoing	

				Provider has a training programme in place for their staff, including Fire specific pension scheme rules	Provider	Ongoing	
				Transparent and open monitoring process to ensure lessons are learned from any errors made.	Scheme Manager / Provider	Ongoing	Monitored through quarterly contract meetings
				Ensure resilience in Provider and CFRS teams to mitigate the impact of loss of key staff/knowledge of Fire Pension Schemes	Scheme Manager / Provider	Ongoing	A joint payroll and pensions lead position has been created and recruited to in the Joint HR team in recognition of the need to retain key knowledge and skills.  Provider have ensured that staff with experience and knowledge of FPS regs are available to work on CFRS contract
Data Forecast and Calculations				Robust business process in place to ensure the Administrator are provided with accurate pensionable pay and service information to enable accurate forecasts to be produced for members	Scheme Manager	Annually	
				Administrator to make available suitable forms and guidance to enable clear instructions to be provided by employer	Provider	Ongoing	
				Administrator to ensure that team are suitably trained in FPS regulations	Provider	Quarterly	Review any training issues in quarterly performance reviews

<b>Risk Area – FINANCIAL</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Score</b>	<b>Control</b>	<b>Owner</b>	<b>Test / Review</b>	<b>Comments</b>
Excessive charges by provider	2	5	10	<p>Contracts are governed by OJEU rules and are often limited to 2 years with the option to extend, meaning providers are regularly reviewed.</p> <p>Contract prices and any adhoc scenarios where additional charges may be incurred are laid out in the contract terms.</p>	Scheme Manager	Term of the Contract	It is always possible that changes to pension regs or tax regs will incur additional work for the provider and therefore unexpected costs for the FRA i.e. GMP reconciliation.
Fraud / Fraudulent behaviour	2	8	16	<p>Only pension forms from authorised signatories will be accepted by the pension provider</p> <p>Pension Provider staff have documented processes and both internal and external audit procedures.</p>	Scheme Manager / Provider	Ongoing	
Costs incurred due to failure to apply scheme/tax rules correctly or in a timely manner	2	9	18	<ul style="list-style-type: none"> <li>- Pension provider have a technical team with specialist knowledge of the regulations and tax rules</li> <li>- Pension provider produce employer bulletins outlining tax rules for employers</li> <li>- Employer subscribes to knowledge hub and receives LGA/Home Office bulletins and circulars</li> <li>- Regular updates from the Scheme Advisory Board</li> </ul>	Scheme Manager / Provider	Ongoing	



Failure to manage FPS fund correctly i.e. injury pension accounting	2	8	16	<ul style="list-style-type: none"> <li>- Follow guidance provided by Fire Finance network and Home Office circulars</li> <li>- Training and guidance available for finance team on tax and accounting matters through LGA, CIPFA and PSTAX.</li> <li>- Attend Fire Finance Network meetings for guidance from colleagues in other Services.</li> </ul>	Finance / Treasurer	Ongoing	
---	---	---	----	--	---------------------	---------	--

<b>Risk Area – REGULATORY AND COMPLIANCE</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Score</b>	<b>Control</b>	<b>Owner</b>	<b>Test / Review</b>	<b>Comments</b>
Failure to interpret rules or legislation correctly	2	8	16	<ul style="list-style-type: none"> <li>- Utilise central LGA resource and regional / national groups to assist with interpretation of rules and possible provision of legal opinion</li> <li>- Subscribe to the LGA Knowledge hub to get regular updates and liaise with other FRAs</li> <li>- Access professional advice where required</li> <li>- Utilise LGA/Home office bulletins and circulars</li> <li>- Utilise knowledge and expertise of the Pension Provider technical team</li> <li>- Annual training for pension board and members of the pension team</li> <li>- Attendance at FPS AGM</li> </ul>	Scheme Manager	Review as new legislation comes into Force	

				- Clear documented process for decision making outlining process to be followed and the responsible parties			
Failure to comply with disclosure requirements or communicate with staff				<ul style="list-style-type: none"> <li>- Annual Benefit Statements (ABS) provided to all active scheme members in August each year</li> <li>- Annual Benefit Statements provided to all deferred members on an annual basis</li> <li>- Annual check by Scheme Manager to ensure all members have received an ABS</li> <li>- Spot check an ABS for each pension scheme to ensure accuracy of figures</li> <li>- Business processes in place to ensure the relevant legal statements are issued to any staff who are contractually or auto-enrolled.</li> <li>- Business process in place to communicate with members whose contribution banding changes.</li> <li>- Dedicated Intranet page for pension related matters which includes forms, details about the scheme rules, employee guides and information about pension tax.</li> <li>- Any news relating to changes to pension or pension tax is communicated in the Green</li> </ul>	<ul style="list-style-type: none"> <li>Provider</li> <li>Provider</li> <li>Scheme Manager</li> <li>Scheme Manager</li> <li>Scheme Manager</li> <li>Scheme Manager</li> <li>Provider / Scheme Manager</li> <li>Scheme Manager</li> </ul>	<ul style="list-style-type: none"> <li>Annual</li> <li>Annual</li> <li>Annual</li> <li>Annual</li> <li>Annual</li> <li>Annual</li> <li>Ongoing</li> <li>Ongoing</li> </ul>	

				Bulletin or where the change impacts all staff (i.e. end of contracting out), letters will be sent to all staff			
--	--	--	--	---	--	--	--