

### Firefighter Pension Scheme Risk Register

| <b>Risk Area - OPERATIONS</b>          | <b>Likelihood</b> | <b>Impact</b> | <b>Score</b> | <b>Control</b>   | <b>Owner</b>     | <b>Test / Review</b> | <b>Comments</b>  |
|--|-------------------|---------------|--------------|--|------------------|----------------------|--|
| 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 are about to be scanned.<br><br>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   |                      | 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  | Scheme Manager   |                      |  |
| 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.                             |
|  |                   |               |              | Address data cleanse completed annually and any addresses found to be incorrect are investigated using a tracing agency  | Pension Provider | Annual               |  |
|  |                   |               |              | Robust payroll processes in place to ensure accuracy of data sent to pension provider  | Scheme Manager   |                      |  |

|  |   |   |    |  |                           |   |   |
|--|---|---|----|--|---------------------------|---|---|
| Administration Failure / Maladministration | 2 | 9 | 18 | Formal agreement in place with pension provider including SLAs         | Scheme Manager            | Quarterly                                 | Receive quarterly reports from the providers performance management system outlining where SLAs have been met / breached. |
|  |   |   |    | 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            |   |   |
|  |   |   |    | Close management of administration contract                            | Scheme Manager            | Quarterly                                 | Scheduled quarterly contract meetings with provider.  |

| Risk Area – FINANCIAL         | Likelihood | Impact | Score | Control   | Owner          | Test / Review        | Comments   |
|-------------------------------|------------|--------|-------|---|----------------|----------------------|--|
| 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 |  |  |  |  |
| 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>- Keep up to date with changes</li> <li>- Attend regional meetings</li> <li>- Subscribe to knowledge hub</li> <li>- Subscribe to HMRC pension tax updates</li> <li>- Pension board involvement</li> <li>- Access professional advice before proceeding</li> </ul> |  |  |  |

| <b>Risk Area – FUNDING</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 deduct correct contributions from pay                    | 4                 | 8             | 32           |  |                     |                      |   |
| Failure of employer to pay contributions to the scheme              | 1                 | 4             | 4            | Pension deductions are accounted for by the FRA and therefore contributions are deducted directly from employee pay and accounted for in the pension fund account. | Finance / Treasurer | Monthly              | Monthly checks are conducted on this by the Finance team. |
| Failure to manage FPS fund correctly i.e. injury pension accounting | 2                 | 8             | 16           | Training – Guidance<br>Fire Finance network links  |                     |                      |   |

| <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           | Central LGA resource and regional / national groups to assist with |              |                      |                 |

|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|
|  |  |  |  | interpretation of rules and possible provision of legal opinion where this has been sought – with the caveat that each FRA should take own legal advice. |  |  |  |
|  |  |  |  | Technical team of pension provider   |  |  |  |
|  |  |  |  | Access to knowledge hub and HMRC pension tax updates   |  |  |  |
|  |  |  |  | Training   |  |  |  |
|  |  |  |  | Access professional legal / tax advice where necessary   |  |  |  |
| Failure to comply with disclosure requirements or communicate with staff |  |  |  | IDRP process .....<br>Communications with staff<br>ABS<br>HR processes in place for auto-enrolment and annual pension band changes mail merges           |  |  |  |

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