

West Midlands Fire Service Pension Board Risk Register**Updated 20.11.2023**

Reviewed 20.11.2023 to inform the Local Pension Board feedback under consultation on Joint Consultative Committee Business Case 'Pensions Administration Review'.

Risk Area - OPERATIONS			Likelihood	Impact	Score	Change from previous review	Control	Owner	Assigned to	Test/Review	Mitigation	Comments
1. Operational disaster (i.e. flood/fire)	1	4	4			↔	Pension records stored electronically/via a server and not yet on the cloud. Data backed up regularly	Scheme Manager	Pensions Manager	Annual		2/2/2023. For Pension Board consideration/discussion:- Recommendation for risk to be included in bespoke Pensions BCP as suggested by The Pension Regulator (TPR) and agreed by Pensions Board at meeting on 8th December 2022, or, as risk is specifically around 'flood/fire' and paper records are no longer held - is this still considered a risk? P. Bd 29/3/2023. Minutes refer. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed risk would be included in bespoke Pensions BCP. 7/9/2023 Pension Board - Pension Board BCP agreed.
2. Member data incomplete or inaccurate	4	4	16			↑	Annual reconciliation of member data to ensure accuracy and resolve any gaps	Scheme Manager	Pensions Manager	Annual	Data to be checked as part of the annual ToR return. Results will be reported to the Pension Board	02/02/2023. Part of The Pension Regulator 6 Key Processes and to remain in register. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed with proposal. 20.11.2023. Likelihood and Impact raised from 3 x 3 to 4 x 4 to reflect impact of Pensions Administration Review and support submission of feedback under consultation.
							Address data cleanse completed annually	Pension Provider	Pensions Manager	Annual	Incorrect addresses investigated using a tracing agency	
							Robust payroll processes in place	Scheme Manager	Pensions Manager	Annual	To ensure accuracy of data sent to pension section	
3a. Administration Failure/Maladministration	4	4	16			↑	All staff in Payroll and Pensions section are managed through organisational policies and process	Scheme Manager	Pensions Manager	Quarterly	Internal procedures are reviewed and audited annually as part of the normal audit cycle.	2/2/2023. For Pension Board consideration:- Recommendation that when the Audit Report is completed, it comes to the attention of Pension Board via the Pension Manager update. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. To be reported into Pension Board on 7.9.2023 via Pensions Manager. 20.11.2023. Likelihood and Impact raised from 3 x 2 to 4 x 4 to reflect impact of Pensions Administration Review and support submission of feedback under consultation.
3b.							Authority levels, financial controls and process within Oracle Fusion.	Scheme Manager/Provider		Annual	Forms part of the annual review of the Pay Policy statement.	
3c.							Review audit reports	Scheme Manager	Pensions Manager	Annual	Normal monthly payroll processing arrangements cover this issue.	
4. Computer system failure at pay date	4	4	16			↑	Pay the previous month pension from the file with adjustments for death or part period payments. If notification that system will not be available or when upgrade is going through at compliance date. Trial pay run can be used as 'actual' if testing fails	Scheme Manager	Pensions Manager	Annual	Covered within the services Business Continuity Plan	2/2/2023. For Pension Board consideration:- Should this risk be included in the bespoke Pensions BCP as suggested by TPR and agreed by Pension Board at meeting on 8th December 2022. Employee Rep return dated 5.5.2023 - if this item is to remain mention should also be made of issues that may be experienced due to the system and wider I.T not being available due to hacking/malware of the I.T infrastructure. 4/7/2023 Pension Board. Risk to be mirrored in BCP and progressed by Tom Embury. 20.11.2023. Likelihood and Impact raised from 1 x 4 to 4 x 4 to reflect impact of Pensions Administration Review and support submission of feedback under consultation.
5. Failure to process BACS	4	4	16			↑	Internal process for ensuring that BACS has been sent.	Pension Provider	Pensions Manager	Annual	Controlled by the normal processing procedures and reviewed annually by Internal Audit	2/2/2023. For Pension Board consideration:- Recommendation to remove risk. Process now completed in-house with no reliance on third party. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Risk remains - to remain as is. 20.11.2023. Likelihood and Impact raised from 2 x 4 to 4 x 4 to reflect impact of Pensions Administration Review and support submission of feedback under consultation.
6. Payment made to ineligible pensioner	4	4	16			↑	Annual certificate of identity process in place.	Pension Provider	Pensions Manager	Annual	Risk has been raised with SET, Finance and Resources and new procedure to be implemented from October 2021	2/2/2023 and 6/3/2023. For Pension Board consideration:- Recommendation to reduce risk due to work that has taken place, or change risk score to - Likelihood 1 Impact 3. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed with recommendation to reduce risk. 20.11.2023. Likelihood and Impact raised from 1 x 3 to 4 x 4 to reflect impact of Pensions Administration Review and support submission of feedback under
8. Insufficient resource to enable function to meet requirements of Pension Regulator	4	4	16			↑	Structure and staffing of function under review	Head of Finance and Procurement (S151)	Pensions Manager	As and when regulator requirements change	Issues reviewed by SET Finance and Resources as part of monthly meeting with Payroll and Pensions Manager and internal KPI's	2/2/2023. For Pension Board consideration:- Recruitment has taken place, which reduces likelihood. Recommendation to reduce risk score to - Likelihood 1 Impact 2/3. Employee Rep return dated 5.5.2023 - Is this reduction appropriate with Paul Gwyn's appointment as UNISON rep and subsequent reduction in time spent within the department. 4/7/2023 Pension Board. Agreed no changes should be made at present. 20.11.2023. Likelihood and Impact raised from 2 x 2 to 4 x 4 to reflect impact of Pensions Administration Review and support submission of feedback under consultation.
9. Failure to produce Annual Benefit Statement	1	3	3			↔	Report to TPR. Keep scheme members and pension board informed of issue.	Scheme Manager	Pensions Manager	May - annually	Progress reported by Payroll and Pensions Manager to Employer Rep and monitored by board at regular intervals as agreed at first meeting of each year.	2/2/2023. Online delivery via Portal awaited. 'Go Live' via Member Self Serve with provider agreed as 1/3/2023. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Portal 'live' with active members having access to Annual Benefit Statements and able to update contact details. Roll out to other members and pensioners being considered. Agreed risk would remain as is, until access to Annual Benefit Statements was more widely available.

11. Application of remedy (McLoud)	4	4	16	↑	Data, Governance, People and Systems	Scheme Manager	Pensions Manager	Ongoing	Ensure requisite numbers of skilled staff are available and that IT systems have been updated.	2/2/2023 and 6/3/2023. For Pension Board consideration:- risk score to remain same until complete. Those impacted historically have been managed, with application of McLoud Business as Usual. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed risk to Service remains.
14. Costs incurred due to failure to apply scheme/tax rules correctly or in a timely manner	4	4	16	↑	Keep up to date with changes. Attend regional meetings. Subscribe to knowledge hub. Subscribe to HMRC pension tax updates. pension board involvement. Access professional advice before proceeding.	Head of Finance and Procurement (S151)	Pensions Manager	Annual	Annual Audit	02/02/2023. Risk remains as is until there are no longer any members in the 1992 Firefighters Pension Scheme. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed risk to Service remains. 20.11.2023. Likelihood and Impact raised from 1 x 3 to 4 x 4 to reflect impact of Pensions Administration Review and support submission of feedback under consultation.
17. Failure to manage FPS fund correctly i.e. injury pension accounting	4	4	16	↑	Training – Guidance Fire Finance network links	Head of Finance and Procurement (S151)	Finance	Annual	Annual Audit	02/02/2023. For Pension Board consideration:- Recommendation to increase risk score to - Likelihood 3 Impact 3. This is due to the recruitment of a Senior Accountant and retirement of the Section 151 Officer at end of March 2023. Changes in personnel and responsibilities to be considered. Structural review to support succession planning being discussed. KPI's to be implemented, picking up disclosure regulations. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Discussion re where risk sat - Organisational/Reputational or Pension Board. Wording to be re-visited. 20.11.2023. Likelihood and Impact raised from 1 x 2 to 4 x 4 to reflect impact of Pensions Administration Review and support submission of feedback under consultation.
18. Failure to interpret rules or legislation correctly	4	4	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	Scheme Manager	Pensions Manager	Ongoing	Monthly management meeting between Payroll and Pensions Manager and Head of Human Resources. Annual Audit	2/2/2023 and 6/3/2023. No further legislation released. October 2023 release should confirm what is already known. Central resource (Clare Hey) at LGA leaving. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Reliance on Pensions Manager interpreting complex information received. Relationships being rebuilt. Agreed risk remains as is. 20.11.2023. Likelihood and Impact raised from 3 x 2 to 4 x 4 to reflect impact of Pensions Administration Review and support submission of feedback under consultation.
19. Failure to comply with disclosure requirements or communicate with staff	4	4	16	↑	Internal Dispute Resolution Procedure (IDRP) Communications with staff Annual Benefit Statements (ABS) HR processes in place for auto-enrolment and annual pension band changes mail merges	Scheme Manager	Pensions Manager	Ongoing	Reports to Pension Board. Risk	2/2/2023 and 6/3/2023. For Pension Board consideration:- Recommendation to reduce risk score on adoption of KPI's and data behind these. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed reduction of risk to - Likelihood 2 Impact 2. 20.11.2023. Likelihood and Impact raised from 2 x 2 to 4 x 4 to reflect impact of Pensions Administration Review and support submission of feedback under consultation.
20. Pension Board Resourcing/Succession Planning.	3	3	9	↔	Discussion point at meeting on 2nd November 2023. Employer (JF) position to be filled.	Scheme Manager	Scheme Manager	As and when identified	Recruitment process clarified for all positions	2/2/2023 and 6/3/2023. Pension Board Ballot 2 for employee rep commenced 30/1/2023 closing at 17:00 hours 22nd February 2023. Paper to be presented to Scheme Manager to re-appoint Alan Tranter and Adam Harper for a further 3 year term. Chair position remains vacant. 30.5.2023 Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed remains a risk. Minutes will cover wider discussion and suggestions re future approach. 02/11/22 - Vacant Employer and Active Scheme Member Positions Filled. Recommend reducing risk in future. 2/11/2023. Further to Julie Felton giving notice to retire from WMFS effective 31.3.2024 and subsequently the role of employer rep, it was agreed a recruitment process should commence. Agreed reduction of risk to - Likelihood 3 Impact 3
21. Application of remedy (O'Brien). Added 14/3/2022	4	4	16	↑	Discussion point at meeting on 28th March 2022	Scheme Manager	Pensions Manager	Ongoing	Ensure requisite numbers of skilled staff are available and that IT systems have been updated.	2/2/2023 and 6/3/2023. No change due to waiting further instruction, which is not expected until at least October 2023. 4/7/2023 Pension Board. Agreed risk remains as is. 20.11.2023. Likelihood and Impact raised from 4 x 2 to 4 x 4 to reflect impact of Pensions Administration Review and support submission of feedback under consultation.

Legend

Risk Score 1 - 4
Risk Score 5 - 9
Risk Score 10 - 16

