

Mid and West Wales Fire and Rescue Authority Firefighters’ Pension Schemes – Risk Register

Riskarea1– Operations	Likelihood (1:low,5: high)	Impact (1:low, 5: high)	Score (likelihood x impact)	Control	Owner	Review	Comment
Concentration of knowledge in a small number of officers and risk of departure of key staff	2	3	6	Business Continuity Plans Succession Planning External Advisers – LGA Membership Close relationship with other Welsh FRAs Additional Pensions Assistant appointed within the HR department.	Scheme Manager	Annual	The Business Continuity Plan was last updated in October 2022 and is subject to periodic review.
Employer fails to carry out their responsibilities for scheme administration leading to complaints from members of the scheme.	2	3	6	Bulletins and Circulars; Updates from Welsh Government and Scheme Advisory Boards. Communication with Employees. Close relationships with other Welsh FRAs.	Scheme Manager	Upon receipt of new information	Regular communication from employer on Firefighter Pension Schemes.
Operational disaster (fire/flood etc.)	3	3	9	Business continuity procedures in place for administrator. Reliance on backup and recovery.	Pension Administrator	Annual	Up-to-date business continuity and disaster recovery arrangements in place.
				Business continuity plans in place for scheme manager	Director of Resources	Annual	Up-to-date business continuity and disaster recovery arrangements in place.
Cybercrime - Loss of access to sensitive data - Reputation risk	3	4	12	Cyber security risks and controls in place as part of Information Security Policy Document.	Scheme Manager	Annual	Pension Board receives regular updates on cyber risks, incidents and controls from all relevant departments.

- Financial loss arising from legal action.				Cyber security risks and controls in place A full disaster recovery plan and business continuity plan in place and tested / updated annually.	Pension Administrators		
Member data incomplete or inaccurate	3	3	9	Annual report from administrator, used as basis for rectification plan Annual reconciliation exercise undertaken each April Data Improvement Plan in place Data Quality reviewed annually by Dyfed Pension Fund	Pension Administrator / Director of Resources	Annual	Annual rectification exercise undertaken in April each year. In the event of any errors a rectification plan is devised by the Scheme Manager and monitored over the year. The last reconciliation exercise took place during April 2023.
				Additional validation carried out by administrators through national fraud initiative. 'Not known at this address' returns from Annual Benefit Statements.			
Administration process failure/ maladministration	2	3	6	Formal agreement in place with administrator, including SLAs	Director of Resources	Five Years	Service Level Agreement in place 5 year annual review.
				Authority levels clearly agreed and kept up-to-date	Director of Resources	When there is a change in staff or policy	Scheme of Delegation and Discretions Policy
				End of year process in place to support production of Annual Benefit Statements	Head of Human Resources	Annual	Regular reconciliation of data throughout the year to cleanse data in preparation for end of year exercise. The Service undertakes a 'cleansing' exercise monthly to assist with eliminating queries and ensure records are up to date.
				Ongoing dialogue with pensions administrator	Head of HR / Head of Finance	As and when required	Regular contact between pension administrator manager and ad-hoc calls when necessary.

				Complaints addressed through the Independent Dispute Resolution Procedure	Head of Human Resources	As and when a complaint is raised.	Complaints are analysed to inform changes to processes or systems where necessary.
Failure to implement the provisions of the Firefighters Pension Schemes and Compensation Scheme (Amendment) (Wales) Order 2024 from 01 February 2024.	2	5	10	Appointment of additional resources to meet the requirements of the legislation. Put in place a project plan with key milestones. Accessing information from LGA. Reviewing updates from various Stakeholders. All Wales Pension Practitioner meetings to share learning.	Head of Human Resources / Pensions Officer	Bi-monthly	Statutory timeline set out in legislation.
Normal operations disrupted by uncontrollable external factors. (Service delivery threats from fire, extreme weather, electrical faults, sickness epidemic etc).	2	1	2	Business continuity plans in place.	Scheme Manager	Annually	Up-to-date business continuity and disaster recovery arrangements in place.
				Business Continuity / Disaster Recovery Plan for the Authority with IT firewalls.	Pension Administrator		
Failure to secure a provider for administration of the Firefighter Pension Scheme(s).	1	4	4	Existing Service Level Agreement in place and is reviewed every 5 Years.	Scheme Manager	Five Yearly	Routes to procurement are limited.

Riskarea2– Financial	Likelihood (1:low,5: high)	Impact (1:low, 5: high)	Score (likelihood x impact)	Control	Owner	Review	Comment
McCloud & Sargeant – Court of Appeal decision on unlawful discrimination from Transitional arrangements for transfer from Legacy to 2015 scheme.	2	5	10	Appointment of additional resource. Regular liaison with Administrators.	Scheme Manager	Bi-monthly	Statutory timeline set out in legislation.
4 Yearly Pension Scheme Valuation	4	4	16	Scheme Advisory Board for Wales considers any assumptions made that will affect valuations and can appoint independent Actuaries to verify figures and challenge GAD if necessary.	Director of Resources	Every 4 Years	Scheme Valuation carried out every 4 Years with the last valuation carried out in March 2020.
Officers acting outside of delegated responsibility	1	4	4	Regular reviews of policy and Constitution	Director of Resources	As deemed necessary	Scheme of delegation and discretions policies in place
				Appropriate approval measures in place	Director of Resources	As deemed necessary	
Pension Fund accounting Errors	2	4	8	Guidance and Training delivered by the LGA. Checks are undertaken by accountancy of ill health and injury charges that has shown they are charged to the Authority, not the Pension Fund. Internal and External Audit.	Head of Finance / Accountancy and Systems Manager	Annual	

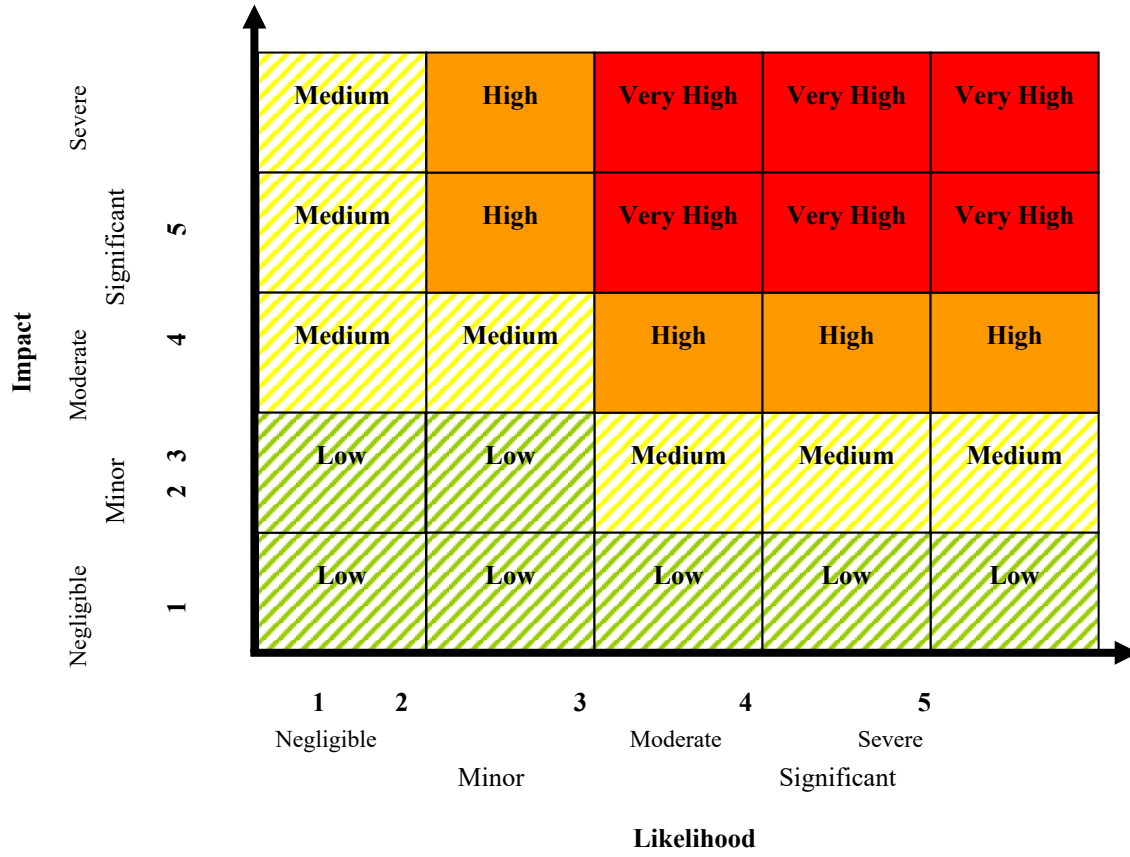
Riskarea3– Funding	Likelihood (1:low,5: high)	Impact (1:low, 5: high)	Score (likelihood x impact)	Control	Owner	Review	Comment
The number of early retirements exceeds actuarial assumptions	1	3	3	Generally, employees meet the strain cost from their pension. Ill Health retirements are monitored and factored into future valuations by the Government Actuary Department. Arrangements in place to review all long-term sickness and monitor potential ill-health retirements.	Head of HR	Annually	
Employer fails to deduct pension contributions	2	4	8	Monthly monitoring of contribution payments by payroll manager and administrators	Head of Finance / Head of HR	Monthly	All contributions deducted as necessary and paid in accordance with the Schedule of Contributions.

Riskarea4– Regulatory and compliance	Likelihood (1:low,5: high)	Impact (1:low, 5: high)	Score (likelihood x impact)	Control	Owner	Review	Comment
Failure to meet statutory deadline, such as, Annual Benefit Statements.	2	4	8	Systems of Internal Controls Internal and External Audit Annual Survey for The Pension's Regulator	Head of HR / Pensions Officer	Annually	

Commencement of New Board Members.	2	4	8	Local Pension Board member information Pack is provided to members upon their commencement with the Board. New Board Members will undertake an Induction with the Chair. Training needs analysis is undertaken at each meeting in order to arrange training on any areas of weakness. Firefighter Pension Scheme Bulletins are circulated to Board Members on a monthly basis for information.	Head of HR / Pensions Officer	As and when required	
Breach of data protection legislation leading to complaints from members of the scheme	2	3	6	Good existing arrangements and procedures in place. Memorandum of Understanding regarding compliance with Data Protection Law in place with Dyfed Pension Fund	Scheme Manager / Data Protection Officer	As deemed necessary	All procedures have been updated. Data Protection Officer appointed to ensure compliance is maintained. The Admin Authority will review the Memorandum of Understanding at any time with immediate effect and will provide written notice to the Employer of such amendment.
Failure to report breaches of the law to the Pension Regulator	2	3	6	Breaches of the Law training undertaken by Pension Board Members; Breaches of the Law policy held on the Authority's website. Service Level Agreement with Dyfed Pension Fund. Monitored through complaints received.	Scheme Manager	As deemed necessary	Pension Board made aware of the Pensions Regulator's requirements and the breaches procedure. Any new breaches are reported within Local Pension Board update reports.
Regulatory Change	1	2	2	Welsh Government Circulars and Bulletins. Comprehensive system of communications by Welsh Government and the Local Government Associations. Register of circulars and action points All Wales Firefighters' Pension Group	Scheme Manager / Head of HR / Pensions Officer	Upon receipt of new information	Officers attend Scheme Advisory Board meetings and other events to keep up to date on issue.
Failure to interpret rules or legislation correctly	4	5	20	Up-to-date and documented training log, showing completion of scheme specific and The Pensions Regulator's educational material. Induction training is available for new members.	Head of HR	As deemed necessary	Complexity of age discrimination guidance and lack of legislation make this an increased risk
				Technical advice and updates	Director of Resources	As deemed necessary	Updates received from responsible authority, scheme advisory board and professional advisers.

Conflicts of interest	1	2	2	Pension board awareness of legal responsibilities	Pension Board Chair	At each Board meeting or as deemed necessary	All pension board members have completed educational material
				All pension board members to declare any conflicts and potential conflicts	Scheme Manager	Ongoing	Conflicts document signed by all pension board members, recorded in conflicts register. Reminder, and any changes or additional conflicts, will be minuted at each pension board meeting.

Risk Scoring Matrix



Mid and West Wales Fire and Rescue Authority

Risk Assessment Log

Date	Action	Outcome
13 July 2015	Draft Local Pension Board Risk Assessment Form to be considered and agreed.	Local Pension Board Risk Assessment Form approved subject to column 3 being amended to clarify a High/Medium/Low risk rating.
28 November 2016	Risk Assessment to include a specific reference to Annual Benefit Statements within the 'Administration process failure/maladministration' section.	The Fire Authority approved the Board's recommendations to update the Risk Assessment as requested by Board members.
10 July 2017	Risk Area 1 in relation to 'Administration process failure', it was highlighted that the comments section should be updated to reflect that the Service Level Agreement had been updated in April 2017.	The comments on the Risk Assessment form were updated accordingly.
20 November 2017	Risk Assessment be amended to include a 'date of last review' column.	The Local Government Association had developed a template risk register for Local Pension Board's to use. Based on the template, the 'Test and Next Review' column had been amalgamated. Therefore, Mid and West Wales Fire and Rescue Authority has amended the Risk Register to mirror that of the LGA.
11 March 2019	Risk Assessment amended to include a specific reference to the Firefighters Pension Scheme Valuation and Cyber Security. In addition, Risk Area 4 has been updated to include Breach of Data protection, Failure to Report Breaches of the Law and Regulatory Change as highlighted in yellow.	The Scheme Manager approved the Board's recommendations to update the Risk Assessment as requested by Board members.
08 July 2019	Risk Area 1 has been updated to include Employer Failure with their responsibilities and Risk of Departure of Key Staff, along with Risk Area 3, Early Retirements as highlighted in yellow.	The Scheme Manager approved the Board's recommendations to update the Risk Assessment as requested by Board members.
18 November 2019	Risk Area 2 has been updated to include the McCloud & Sargeant Court of Appeal determination.	Members of the Board accepted the amendments made to the Risk Register to include the McCloud & Sargeant – Court of Appeal Determination.
09 March 2020	Risk Area 4 has been updated to include a specific reference to new Board Members.	Members of the Board accepted the amendments made to the Risk Register to

		include specific reference to new Board Members.
13 July 2020	Risk Area 1 has been updated to include the potential impact of the O'Brien case on Modified Pension Scheme. Normal operations disrupted by uncontrollable external factors, i.e. Sickness epidemic, the (COVID-19) reference has been removed. The control measure for Risk Area 1 'Concentration of knowledge in a small number of officers and risk of departure of key staff' has been updated to reflect the additional member of staff within the HR department.	Members of the Board accepted the amendments made to the Risk Register and this has been updated to reflect the outcome.
16 November 2020	Risk Area 1 has been updated to reflect concern that the Firefighter Pension Scheme administration marketplace is shrinking yet the schemes are becoming more complex.	Members of the Board accepted the amendments made to the Risk Register to reflect concern regarding the condensed market for the provision of Firefighter Pension Scheme administration, coupled with a greater complexity of pension schemes.
12 July 2021	Risk Area 1 has been updated to incorporate 'Pension Fund Accounting Errors' as it is imperative all payments made or received in relation to the Firefighter Pension Scheme(s) are coded correctly. Risk Area 4 has also been updated to reflect the importance of meeting statutory deadlines, such as Annual Benefit Statements.	Members of the Board accepted the amendments made to the Risk Register.
01 November 2021	The scoring matrix has been revised in line with best practice.	Members of the Board Accepted the revised scoring matrix system.
28 November 2022	Comments updated to confirm review of Business Continuity Plan (Risk Area 1) and reconciliation exercise completed during April 2022. (Risk Area 1).	The comments on the Risk Assessment form noted.
19 July 2023	Minor updates made under the 'Review' and 'Control' headings to reflect the current position of the Service.	Members of the Board accepted the amendments made to the Risk Register.