

**Firefighters' Pension Scheme - Administration Risk Register**

**Appendix 2**

Risk Assessment Form										
Organisation: Humberside Fire & Rescue Service										
Scheme Manager:										
Risk	Assessment of Risk			Risk Control Measures	Owner	Test	Next Review	Comment		
	Likelihood	Impact	Risk Rating							
1	Risk Area 1 - Operations									
	Operational disaster (fire, flood etc)	1	4	4	Business continuity plans in place for Pension Administrator	Senior Finance Officer	Annual	Jul-18	New contract being finalised with WYPF	
					Business continuity plans in place for Scheme Manager	Senior Finance Officer	Annual	Jul-18		
2	Member data incomplete or inaccurate	3	3	9	Annual report from Pension Administrator used as basis for rectification/data cleansing plan	Senior Finance Officer	Annual	Jul-18		
					Returns from annual statements, Life Certificate checks, and National Fraud Initiative checks	Pension Admin	Annual	Jul-18		
3	Administration process failure/maladministration				Formal agreement in place with administrator, including SLAs	Senior Finance Officer	Annual	Jul-18	KPIs subject to quarterly review	
					Authority levels clearly agreed and kept up to date	Scheme Manager	Annual	Jul-18		
		1	2	2	Review independent reports of administrator's process	Scheme Manager	Annual	Jul-18		
					Ongoing dialogue with administrator	Senior Finance Officer	Ongoing	Ongoing		
					Contract meetings between Pension Administrator and Senior Finance Officer	Senior Finance Officer	Quarterly	Ongoing	New contract being finalised with WYPF	

4	<b>Risk Area 2 - Financial</b>												
	<b>Excessive charges by supplier</b>	2	2	4	Annual review of scheme budget, review of costs incurred against budget	Senior Finance Officer	Annual	Jul-18					
					Periodic review of supplier	Senior Finance Officer	Annual	Jul-18					
5	<b>Incorrect employee and employer contributions</b>	1	5	5	Check incoming and outgoing scheme funds against scheme forecast - reconciling all funds	Senior Finance Officer	Monthly	Feb-18					
					Monitoring of contribution payments	Senior Finance Officer	Monthly	Feb-18					
					Annual audit	Finance Manager	Annual	Jul-18					
6	<b>Risk Area 3 - Regulatory &amp; Compliance</b>												
	<b>Over reliance on key pensions administration officers</b>	2	3	6	Key officers convey specialist knowledge on to colleagues by mentoring	Senior Finance Officer/ Pensions Admin	Ongoing	Ongoing					Compiling training programme for members of HR and Service Support
					Enhance training by bespoke sessions/courses/workshops	Senior Finance Officer/ Pensions Admin	Ongoing	Ongoing					Compiling training programme for members of HR and Service Support
7	<b>Changes to legislation</b>	4	3	12	Ongoing review of legislative framework	Scheme manager	Ongoing	Ongoing					
					Up to date and documented training log, showing completion of scheme specific and The Pensions Regulator's educational material	Scheme manager	Ongoing	Ongoing					Completed self assessment using The Pension Regulator's Self Assessment Tool
					Technical advice and updates	Scheme manager	Ongoing	Ongoing					
8	<b>Conflicts of interest</b>	2	1	2	Pension board awareness of legal responsibilities	Scheme Manager	Ongoing	Ongoing					
					All pension board members to declare any conflicts and potential conflicts	Scheme Manager	Ongoing	Ongoing					

### Risk Matrix

The following model rates the impact and likelihood of an identified risk using a scale of 1 to 5.

The likelihood score is multiplied by the impact score (as shown in the table) to give an overall risk score.

The final score will influence the level of monitoring and/or control required in relation to each risk.

Likelihood Score	1	2	3	4	5
<b>Descriptor</b>	<b>Rare</b>	<b>Unlikely</b>	<b>Possible</b>	<b>Likely</b>	<b>Almost Certain</b>
<b>Frequency</b> How often might it/does it happen	This will probably never happen/recur	Do not expect it to happen/recur but it is possible it may do so	Might happen/recur occasionally	Will probably happen/recur, but it is not a persisting issue/circumstance	Will undoubtedly happen/recur, possibly frequently

Impact Score	1	2	3	4	5
<b>Descriptor</b>	<b>Negligible</b>	<b>Minor</b>	<b>Moderate</b>	<b>Major</b>	<b>Catastrophic</b>
<b>Risk Area 1 - Operations</b>	Minor problem easily handled by normal day to day processes	Some operational disruption possible	Significant time/resources required	Operations severely damaged	Operational survival at risk
<b>Risk Area 2 - Financial</b>	Little/no financial impact	Potential for short term financial impact	Potential for medium term financial impact	Potential for long term financial impact	Potential for permanent long term financial impact
<b>Risk Area 3 - Funding</b>	Little/no effect on members' benefits, and unlikely to be reported to the regulator	Little/no effect on members' benefits, but likely to be reported to the regulator	Material effect on members' benefits, and likely be reported to the regulator	Material effect on members' benefits, and will be reported to the regulator	Material effect on members' benefits, and may result in legal action
<b>Risk Area 4 - Regulatory &amp; Compliance</b>	Little/no impact	Misunderstanding of rules/regulations resulting in reduced performance	Breach of rules/regulations resulting in informal complaint(s)	Breach of rules/regulations resulting in formal report or complaint(s) being lodged	Breach of rules/regulations resulting in legal action

Impact Score	Likelihood Score				
	1	2	3	4	5
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

