

| Risk ID | Risk Title | Risk Area | Risk sub-ID | Causes | Effect | Risk Owner | Likelihood (1-5) | Impact (1-5) | Overall Score | Key Existing Management Controls | Planned Enhancements to Controls (Actions) | Action by Whom | Target Review Date |
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| 1 | Data Management | | 1A | Incorrect data due to employer error, user error or historic error. | Service disruption such as incorrect annual benefits statements being processed. Data not secure or appropriately maintained. | Scheme Manager | 2 | 3 | 6 | TREAT/TOLERATE 1) Implementation and monitoring of a Data Improvement Plan by the pension administration team. 2) The Board will be made aware of the 2020 data scores. The service will work with Pensions Admin on improving the data in the system and make recommendations. | XPS continue to work and report on the Common and Conditional data for the Scheme. | Senior Pensions Advisor / Pensions Project Officer & XPS | Sep-24 |
| 1 | Data Management | | 1B | Failure to hold personal data securely | Data is shared with unauthorised parties or can be targeted by cyber criminals | Scheme Manager | | | | TREAT/TOLERATE 1) Information security was identified as a possible risk by XPS in their Assurance Report on Internal Controls (2022). Controls were detailed in the document, and the auditor did not feel further measures could be taken at present. 2) XPS submitted a Certificate of Assurance to SFRS in June 2022 to confirm they comply with the requirements of the cyber essential plus scheme. 3) All files shared between SFRS and XPS Administration are sent securely via the XPS file sharing portal. All files sent to SFRS from XPS are password protected. 4) Paperwork submitted to SFRS is scanned and saved onto the server. Hard copies are destroyed via the confidential shredding service. 5) SCC IT data security policy adhered to where applicable. | XPS and the pensions office continue with the existing management controls for data. | Scheme Manager | Sep-24 |

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| 5 | Pensions Team Skills and Team Resourcing | | 5A | The lack of available skilled resources coupled with the absence of a coordinated training plan to address knowledge gaps. | Inefficiencies in Pension Admin | Scheme Manager | 3 | 4 | 12 | TREAT/TOLERATE 1) Administration was transferred to a third party in September 2021. 2) Migration to XPS who do have this knowledge will continue to process key cases using the 2 bank staff we have retained to work on fire. 3) Probable resourcing issues with McCloud and the Modified Scheme legislation both being implemented at the same time. Resource needs to be identified for both of these projects. A business case has been confirmed to recruit a new member to the team to assist with the admin in the team. 5) Training is also taking place with the Subject Matter Experts to improve the knowledge of pensions within the team. | A 4 week ISIO training course was carried out during February 2024 but there is still a need for a more basic level of pensions training. This is planned to be carried out in-house within the pensions team. | Senior Pensions Advisor / Pensions Project Officer & XPS | Sep-24 |
| | | | 5C | Expertise and knowledge lies with Bank staff. | If the Bank staff leave unexpectedly there will not be an opportunity to pass on their knowledge which may impact the exit process and value and efficiency of the service going forward | Scheme Manager | | | | | TREAT/TOLERATE 1) If Bank Staff leave the Service significant knowledge of the firefighters pensions will be lost, at present no process in place for the transfer of knowledge. 2) Initial discussions have taken place to transfer the knowledge to the newer team members. 3) The first session has taken place for the transfer of knowledge to take place particularly in relation to BAU tasks. Further topics will be discussed in the coming weeks. 4) Unit 4 access has been granted to all Pension Team members. 5) Bank staff to provide training before leaving. 6) The tasks completed by the Bank staff is listed so training can be directed as required. | Access to SAP/Unit 4 pay data has been granted to Pensions Team staff and this will be requested for all team members. During the 9 months leading up to March 2024 the transfer of knowledge and training will be given to the pension team. Data transfer will also be looked at during this period. A project plan for the transfer is being put together. | Scheme Manager / Senior Pensions Advisor / Pensions Project Officer |
| 6 | Software | | 6A | Business Operations have raised a risk in respect of Transfer to third party administrator. The change comes right at the heart of the testing programme for Unit 4/DB&I delivery. | With a SAP freeze in place because of the DB&I programme it is going to be very challenging to design/test/deliver reporting for the new provider for 1 Aug AND design/test/deliver it again for the Unit 4 system in time to go-live with that system in December. There is not the resource to do this. Unit 4 has presented unprecedented challenges for the Pensions team with regards to the reliability of pay/contribution data. The production of Annual Benefit Statements has been delayed due to the difficulties in extracting accurate data. Further challenges are anticipated with regards to extracting the 31/3/24 year end data as this will require an amalgamation of SAP data (from 1/4/23 to 31/5/23) with UNIT 4 data (from 1.6.23 to 31.3.24) | Bus Ops | 3 | 3 | 9 | TREAT/TOLERATE 1) Meeting took place with business ops on 22 February 2021. Outcome was agreement to look into an annual data submission in March 2022 which would allow for new system to be in place and reports built. 2) Year end data was sent to XPS by end of April 2022. The GL mapping has been finalised. 3) A 'go-live' date for the new system is confirmed as June 2023. Once Unit 4 is in use, monthly data transfers with XPS will be able to take place via i-connect. 4) Further discussions need to take place with XPS once Unit 4 is live to ensure data can be transferred seamlessly and whether year end reporting is still required. 5) Unit 4 is in place and the Pension Team are testing the data quality of the migration of SAP to Info Archive. Initial data testing is positive. The 'Live' date has not yet been announced due to numerous errors with the Unit 4 system. When Info Archive goes live, further testing will be required in the 'live' environment. 6) The ongoing issues with Unit 4 have a direct impact with the reliability of Pensions data. This is being addressed within payroll by a team focussed on pension issues. Regular meetings are scheduled to review progress. | Once the initial errors with the implementation of Unit 4 have been corrected, further testing will be carried out. Payroll continue to struggle with Unit 4 and the required data submissions. | Senior Pensions Advisor | Sep-24 |

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| 7 | Pension Board | | 7A | Gaps in skills and knowledge of Board members | Board will be unable to adequately make decisions, provide assurance and to scrutinise the efficiency of the SFRS Pension Schemes. | LFPB Chair | 2 | 2 | 4 | TREAT/TOLERATE 1) Members of the Board will be mindful of the Attendance and Knowledge and Understanding Policy when setting objectives and establishing training needs. 2) The board has approval from Audit and Governance committee to establish substitutes. 3) All board members to attend annual training provided by the LGA. The last session took place on 12/04/23 4) Training log in place and all members have completed TPR toolkit for Board Members. 5) Training packs to be sent to new board member and support to be provided by the wider Board and pensions team to increase their knowledge. 6) A new employer member joined the Board in July 2022 and was provided with the relevant details of the TPR toolkit for Board Members. | Future training run by the LGA, for 2024, will be in a new format. There are likely to be 4 identical sessions available to book during the year and these will be run online via teams. Further details are awaited regarding dates etc. Further information has been received from LGA and it is planned to all (including admin team) attend a session in January 2025. Due to the January 2025 session being booked-up, it is planned to book the June 2025 session for the board / team. | Local Firefighter Pension Board | Sep-24 |

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| 8 | 10% Day Related Flexible Hours Allowance and Variable Crewing Hours Allowance | | 8A | Failure to respond to legal advice for staff of the 10% pensionable pay allowances. | There is a risk the employer may not collect all contributions due. | Scheme Manager | 3 | 3 | 9 | TREAT/TOLERATE 1) Officers to report to the Board. 2) Legal advice has been received. Contact has been made with members. 3) Letters going to Fire Services to communicate with members who have transferred out. 4) Members that are currently in receipt of the 10% allowance are now making regular contributions. 5) Priority groups 1 to 3 have been completed. | Project on hold until the team is fully resourced. | Scheme Manager | Sep-24 |
| | | | 8B | As part of this project, SFRS will be required to pay contributions to the pension pot for members pensions in relation to the 10% allowance the member received at the time of employment which were not previously pensionable. SFRS will also need to pay members additional amounts in terms of lump sums and pension arrears. It is not yet known if this will be covered by the pension top up grant received each year. Additionally there may also be Unauthorised Payment Charges or tax contributions which the Service will be required to pay due to the length of time which has passed since the original lump sums were paid and also the amount of the lump sum. | Increase pressure on SFRS operating fund if the costs cannot be covered by the pension fund. | Scheme Manager | | | | TREAT/TOLERATE 1) Andy Tink to be informed and guidance to be sought from him. 2) Monitoring of the costs involved as the calculations are being completed. 3) A budget has been created to identify how much the costs are for the project and is updated as the calculations for each priority group are finalised. Legal advice is required to confirm the tax needed for the pension arrears lump sum. This has been requested from Weightmans. 4) Legal advice has been received and the Service are now happy with their position. The project is due to recommence shortly. Pension arrears and pension lump sums will be liable for unauthorised payment charges and surcharges. | Senior Finance Business Partner / Senior Pensions Advisor / Pensions Project Officer | Sep-24 | |
| 9 | Retained Firefighters' Modified Pension Scheme Update (Matthews) Project | | 9A | Failure to notify staff of the Modified Pension Scheme | The employer and employee have to collect contributions and make contribution shortfalls. | Scheme Manager | 3 | 3 | 9 | TREAT/TOLERATE 1) Officers to report to the Board. 2) Legal advice has been received. Contact has been made with members. 4) Letters have gone out to members who returned an expression of interest form and to those that did not respond. 4) The modified scheme opened via the second options exercise in October 2023. The affected members have been notified and expression of interest forms have been sent out. | 1) A dedicated risk register for the Matthews project has been created to horizon scan forthcoming risks associated with this project. | Scheme Manager / Senior Pensions Advisor / Pensions Project Officer | Sep-24 |
| | | | 9B | Following the European Court of Justice's decision in O'Brien v Ministry of Justice which is a case concerning fee paid judges in the Judicial Pension Scheme, the UK Government have recognised the right for retained firefighters employed before 1 July 2000 to elect to become a special member from the start date of their employment. | A second options exercise will require additional resources which are limited. | Scheme Manager | | | | TREAT: 1) A second options exercise is required, for which legal discussions have commenced between central government, the LGA on behalf of FRAs and trade union legal representatives to consider who is in scope and the details of the settlement exercise. 2)SFRS Pension Team and the LGA have responded to the Home Office consultation document. Deadline was 9 June 2023. 3)Administration processes to implement the options exercise to be determined once legislation confirmed 4) The second options exercise opens in October 2023. Communications to members have been sent out. 5) The LGA have provided draft communications to send out to members and continue to advise on how to progress the exercise. | Scheme Manager / Senior Pensions Advisor / Pensions Project Officer | Sep-24 | |

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| | | | 9C | Communications have been sent to affected members to provide a further opportunity for those who did not respond to previous mailings to confirm if they want further information on the second option to join the modified scheme. The scheme reopened in October 2023. | The lack of updates from the Government and action the pensions can take, may cause members further and prolonged frustrations. | Scheme Manager | | | | TREAT/TOLERATE 1) Open and transparent communications are to be sent regularly to keep affected members up to date. 2) Update from the Government has been received in March 2022 as to when the second options exercise will open (October 2023). The first phase of the GAD calculator has been released which can be used for limited straightforward cases. The 2nd Phase is due to be released early 2024. | | Scheme Manager / Senior Pensions Advisor / Pensions Project Officer | Sep-24 |
| | | | 9D | It was expected in January 2022 onwards for updates to be provided by the government (Home Office & Her Majesty's Treasury) for updates around the McCloud and Matthews/O'Brien projects. Unfortunately there has been little movement throughout 2022 and the updates provided means further work cannot be completed. Furthermore we have received insights from the LGA that significant progress will not be possible until Q3 or Q4 of 2023. | Member's frustrations may increase further as there is no work for SFRS to continue with until Q3 or Q4 of 2023. | Scheme Manager | | | | TREAT: 1) The pensions project team continue to read the latest guidance and attend LGA coffee mornings where further information on these projects could be gained. 2) The team are also sending communications at appropriate intervals to ensure members are kept up to date and key messages remain transparent. GAD calculator is being used to calculate pensions. | The LGA have produced Statement templates to send options to members. Statements have started to be sent to the members affected. A tracing exercise is being planned to contact outstanding members. | Scheme Manager / Senior Pensions Advisor / Pensions Project Officer | Sep-24 |
| | | | 9E | It is unknown at this stage of the financial costs to implement the Modified Scheme. - The standard assumptions have not yet been disclosed to the Fire Sector. - Employee contributions could date back as far as the 1960s. | The Service is unable to plan accordingly. As the standard assumptions have not yet been defined, the Service cannot begin to predict the costs | Scheme Manager | | | | TREAT: 1) The Service will be able to undertake preliminary work such as identifying those in scope, data cleansing, identifying access to legacy systems etc. Some of this work has started. 2) Calculations cannot be carried out until the GAD calculator has been released to FRAs (due in two phases - November and January 2024). This has now been received and calculations have started. 3) Calculation work has started and settlement statements have been sent out to members. 4) Completed settlement option forms have started coming back and the next step in procedure needs deciding. | | Scheme Manager / Senior Pensions Advisor | Sep-24 |
| 10 | McCloud / Age Discrimination | | 10A | Following the McCloud / Sargeant ruling, it was identified younger members of the 1992 pension scheme would face discrimination on the basis of their age due to the implementation of the 2015 pension scheme. Primary legislation has been put in place to move all members to the 2015 scheme. Secondary (remedial) legislation is due to come into effect in October 2023. | Members are feeling frustrated for the delay in receiving their 1992 benefits. Further delays are to be expected as the member has to wait for their Remedial Service Statement to be sent in due course. | Scheme Manager | 3 | 4 | 12 | TREAT: 1) The Pensions Team are liaising with the LGA, XPS and the Fire Sector to understand the legislation and how it is to be implemented. 2) The Pensions Team are sending regular communications to members of the Service on the McCloud project. A new page has also been created on the pensions SharePoint page. 3) The team are responding to all actions which are expected of the Service such as working through the data collection exercise and responding to the consultation. 4) The Pension Team are preparing GAD calculations for affected members as required by XPS 5) Data has almost been completed and the pensions team are dealing with unusual / outstanding cases. | 1) A dedicated risk register for the McCloud project has been created to horizon scan forthcoming risks associated with this project. | Scheme Manager / Senior Pensions Advisor | Sep-24 |
| 11 | 2022 / 2023 Pay Award | | 11A | On 7 March 2023, it was agreed operational staff would receive a pay increase. The increase included a 7% pay rise backdated to July 2022 and a further 5% implemented from July 2023. The increase in pay will only be paid in the 2023 / 2024 financial year. | Due to when the award will be paid, this may cause an Annual Allowance charge for some members. Additionally, some members will pay a higher level of tax due to two pay awards being paid in the same tax year. | Scheme Manager | 3 | 2 | 6 | TREAT: 1) Further information on managing any annual allowance charges is anticipated from the LGA. 2) The annual allowance threshold has increased from the tax year 2023/2024 which may reduce some members from paying annual allowance charges. 3) XPS will be issuing Pension Savings Statements for both 2022/23 and 2023/24 tax years to affected members in October 2024. | | Scheme Manager / Senior Pensions Advisor | Sep-24 |

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| 12 | 2023 / 2024 End of year return for XPS | | 12A | XPS requested the EOY return data in March 2024 and the request was forwarded to payroll immediately. The submission of data is more complex this year due to the Remedy changes that were introduced in October 2023. Because of this, the data had to be submitted to XPS by 31 May 2024. | If the data is not received in the required time, there is the possibility that the combined Annual Benefit Statement / Residual Service Statement (ABS/RSS) will not be able to be issued in August 2024 as planned. This is a scheme failure and will need to be reported to the Pensions Regulator (TPR). | Scheme Manager / Payroll | 5 | 4 | 20 | TREAT: 1) Continue to chase the required data. 2) Keep all affected updated. 3)Regular meetings with the pensions teams to ensure everything is being done to resolve this as quickly as possible | EOY request forwarded to payroll immediately in March 2024. Job allocated but no update received. Update promised / expected but continually not received. Data not received and submitted by 31 May 2024 due to problems with payroll system - these were only brought-up very near the completion date. Submission is being chased periodically as no data has been received to date (17/7). | Scheme Manager / Senior Pensions Advisor | Being reviewed daily/weekly |