Appendix 2

Risk No.	Risk Description	Risk appetite	Risk Causes	Risk Consequences (Effect)	Inherent Risk Scoring			Existing Risk Controls	Residual Risk Scoring			Further Risk Controls
					Likelihood	Impact	Risk Score		Likelihood	Impact	Risk Score	
1	Covid Pandemic (Administration and People Related)	Averse	• Covid-19 pandemic (financial pressure on individuals and institutions, and more transactions being made online) • Further restrictive lockdowns • Staffing capacity impacted by both short and long term health implications of infection	• Members do not receive a high quality service • Business interruption • High costs in order to maintain service resilience • Staff health, wellbeing and productivity • Impairment of the financial situation of employers • Inability to make quick decisions in an emergency	5.00	5.00	30.00	• Office presence for processes that require it (e.g. physical post) • IT systems supporting remote and flexible working • Flexible working policies for staff • Health and safety protocols for staff • Fund policies that account for the scenario experienced	3.00	3.00	12.00	• Use of extraordinary committee or board meetings where necessary • Continue to develop flexible and remote working practices • Review electronic signatory processes
2	Inability to meet demand for activity	Averse	• Growth in complexity • New and complex regulations (e.g. Sargeant (Age discrimination, Miller retained Modified cases) • Erosion of staff capacity/resilience due to long term remote working • Inability to recruit / retain appropriately skilled staff • Inability of the officers to keep up with demand (capacity or skills) persistently increasing customer expectations Unpopular government decisions impacting on Fire Pension Schemes	• Quality of services reduces • Governance failures • Key administration performance measures not met	5.00	3.00	18.00	• Medium term forecasting of demand and planning for the capacity and resources required • Investing in quality and productivity of staff through training and development • Investing in systems development • Use of management information to monitor and manage performance • Succession planning • Procuring appropriate services through contracts KPI and workload monitoring for administration team staff training Data quality reviewed annually Maintenance of governance arrangements and actions Responding to Government consultations	4.00	3.00	15.00	• Outsourcing of Administration service (ITT out 1st June 2021 with transfer date of 1st April 2022)
3	Business interruption	Averse	• Covid-19 • Industrial action • Small specialist teams with single person risks • Significant changes in adviser and consultant personnel • Further high impact Covid events (e.g. infection waves, lockdowns) • Lack of systems maintenance • Systems failure • Covid impact on staff • Disaster event - fire, flood, etc • Lack of remote working facilities	• Delays in decisions or their implementation • Failure to meet performance targets • Reputational damage • Data quality deterioration • Workload backlogs • Significant restoration costs	3.00	4.00	16.00	• Building resilience requirements into service contracts • Digital record keeping • Storing data back ups offsite • Maintaining close links with advisers, consultants, and external organisations. • Use of IT systems to work remotely	2.00	3.00	9.00	• Implementation of Cyber Security policy • Review and update disaster recovery plan
4	Cyber Security	Averse	• Systemic cybersecurity events (e.g. taking down financial trading institutions globally) • Local cyber security events (e.g. targeting the Council) • Personal cyber security events (e.g. phishing emails targeting staff) • Inadequate system security • Inadequate staff training and staff vigilence	• Loss of data and/or data disruption • Reputational damage • Breaches of the law • Fines • Costs of fixing issues • Business interruption	4.00	5.00	25.00	• Use of scheme adminstrator systems and system security • Staff training • Bespoke Fund cyber security policy	3.00	4.00	16.00	• Implementation of Cyber security policy
5	Data Quality	Averse	• McCloud/Sargeant impact • Persistently increasing customer service expectations • Covid impact on member health and wellbeing - increasing the adverse impact of any problems with pensions • Member benefits paid incorrectly • Inadequate data quality • Inadequate administration systems and processes • Poor data provided by employer	• Inadequate payroll services Incorrect benefit payments to scheme members Complaints and disputes from scheme members Negative reputational impact	3.00	3.00	12.00	• Administration governance review actions and maintenance of those standards • SLA with Council payroll service • Maintenance of Fund website and sign posting to the new LGA Fire Pension scheme members website • Data quality scores and reviews • Staff training • Performance monitoring of employer data quality • Performance monitoring of administration team KPIs	2.00	2.00	6.00	• iConnect project now completed • Light review of compliance with Code of Practice 14
6	Fraud	Averse	• Covid-19 impact on the application of controls in the Service or with employers • Increased financial pressure on individuals due to Covid-19 and its impact on the economy and jobs • The passing of time since any previous targeted review of Fraud risk • Fraud instigated by any Fund stakeholders,	• Members lose benefits to fraudsters • Reputational risk • Time spent unpicking the fraud • Fradulent members gain benefits they are not entitled to	4.00	3.00	15.00	• Application of Authority code of conduct of officers, fraud strategy, and whistleblowing policy • Application of division of duties and signatory processes for financial transactions and administration • Periodic independent internal audit reviews of administration controls and activity • Annual external audit reviews	3.00	3.00	12.00	• Fraud risk review in 2021/22
7	Governance Failure	Averse	• Lack of capacity to service governance requirements • Lack of training • Lack of continuity in staffing, advisers, or committee / board members • Inadequate checking/review of standards compared to requirements and best practice • Complacency in light of recent governance improvements • Out of date policies and contracts • Local government elections impact on committee continuity • Covid-19- impact on officer, adviser, and committee/board personnel health and availability • Uncertainty around overall governance structure and responsbility for decision making and actions • Unpopular government decisions impacting on Fire Pension Schemes	• Adverse impact on service reputation • Exposure to unplanned risks or poor administration • Breaches of the law • Poor decisions • Decisions that are not appropriately authorised Customer dissatisfaction	3.00	4.00	16.00	• Training plans for committees, Board, and staff • Quarterly committee and Board meeting cycles • Training needs analysis • All training provision to be made available to all committee and Board members • Management of a Contracts register • Management of a policy schedule • Use of digital technology - remote working and remote meetings • Responding to government consultations	2.00	3.00	9.00	• Light review of compliance with Code of Practice 14 • local at best practice to create training plan • Review of committee arrangements and Terms of Reference • Review capacity to support Fund Governance requirements

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