

NORTH YORKSHIRE FIRE AND RESCUE AUTHORITY

Report of the Assistant Chief Fire Officer (Operations)30th January 2017

CHAIRMAN'S REPORT

1.0 Purpose of Report

- 1.1 To update members of the Local Pensions Board and make a number of proposals.

2.0 Introduction

- 2.1 The Local Pensions Board has been operating for three meetings and the next scheduled meeting will mark two years since the LPB was formed. Recently there have been a number of developments in the advice available and the role LPBs are undertaking across the Country. The formation of the Scheme Advisory Board has yet to impact on the LPB but this is anticipated to affect or inform the LPB activities in the near future.

3.0 Information

- 3.1 The Service as part of changes to the Senior Management structure has advertised for a Pension Scheme Administrator/Manager role to replace the Personnel and Pensions Manager who has supported the LPB from its inception. It is anticipated that this new role will be filled in March and that an introductory meeting with the LPB will follow.
- 3.2 The Pensions Regulator has produced a Self-assessment tool kit for public service pension schemes. The LPB Chair and the Personnel and Pensions manager have undertaken a first review of the scheme within North Yorkshire and produced a gap analysis. The initial review of the self-assessment indicates that the LPB may need to meet more frequently, four times a year as opposed to twice a year. The next stage is for the LPB to meet informally to discuss and review the self-assessment and associated gap analysis.
- 3.3 The Pensions Regulator provides a Risk Register template for public service schemes. The template adapted for the NYLPB is attached as Appendix A. it is proposed that the template be populated by the LPB and the newly appointed Pensions post holder at the same time as reviewing the self-assessment exercise.
- 3.4 In order to make best use of LPB Members time it is proposed to hold an informal workshop/meeting to meet the new appointee, review the self-assessment and gap analysis and populate the risk register. These documents can then be formally reviewed as part of the standard agenda of formal LPB meetings. A formal meeting of the LPB may follow or take place on the same day as the informal workshop/meeting.

4.0 Recommendation

- 4.1 That Members note the report.
- 4.2 That Members agree to an informal workshop to discuss the matters in section 3 above and whether to hold a formal meeting of the LPB on the same day.

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Background Documents

None.

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10th January 2017

North Yorkshire Fire and Rescue Authority

Local Pensions Board Risk Register

Appendix A

Based upon The Pensions Regulator public service example risk register © The Pensions Regulator January 2015.

Risk area 1 – Operations	Likelihood (1: least likely, 10: most likely)	Impact (1: least likely, 10: most likely)	Score (likelihood x impact)	Control	Owner	Test	Next review	Comment
Operational disaster (fire/flood etc)				Business continuity procedures in place for administrator	Scheme manager			
				Business continuity plans in place for scheme manager	Scheme manager			
				Contracts with all advisers and suppliers are recorded on central database	Pension finance manager			
Member data incomplete or inaccurate				Annual report from administrator, used as basis for rectification plan	Scheme manager			
				'Not known at this address' returns from annual statements checked by tracing agency	Pension administrator			
Administration process failure/ maladministration				Formal agreement in place with administrator, including SLAs	Pension finance manager			
				Authority levels clearly agreed and kept up-to-date	Scheme manager			
				Review independent audit reports of administrator's processes	Scheme manager			
				Ongoing dialogue with third party administrator	Pension administration manager			
				Written reports and quarterly presentations by administrator to scheme manager	Scheme manager			

Risk area 2 – Financial	Likelihood (1: least likely, 10: most likely)	Impact (1: least likely, 10: most likely)	Score (likelihood x impact)	Control	Owner	Test	Next review	Comment
Excessive charges by suppliers				Annual review of scheme budget, quarterly review of costs incurred against budget	Scheme manager			
				Periodic review of suppliers	Scheme manager			
Fraud/Fraudulent behaviour				Conduct a monthly fraud monitoring process of incoming contributions payments against the schedule of contributions	Scheme manager			
				Check incoming and outgoing scheme funds against schemes forecast – reconciling all funds	Scheme manager			

Risk area 3 – Funding	Likelihood (1: least likely, 10: most likely)	Impact (1: least likely, 10: most likely)	Score (likelihood x impact)	Control	Owner	Test	Next review	Comment
Employer failure to pay contributions into scheme				Monthly monitoring of contribution payments by pension finance manager and administrators	Scheme manager			
				Ongoing dialogue with employer over willingness and ability to pay	Scheme manager			
				Annual audit	Pension finance manager			
Failure of non-public sector employers				Scheme manager monitoring of employer covenant and business strength	Scheme manager			
				Use of bonds and guarantees	Scheme manager			

Risk area 4 – Regulatory and compliance	Likelihood (1: least likely, 10: most likely)	Impact (1: least likely, 10: most likely)	Score (likelihood x impact)	Control	Owner	Test	Next review	Comment
Failure to interpret rules or legislation correctly				Up-to-date and documented training log, showing completion of scheme-specific and The Pensions Regulator’s educational material	Scheme manager			
				Technical advice and updates	Scheme manager			
Conflicts of interest				Pension board awareness of legal responsibilities	Pension board chair			
				All pension board members to declare any conflicts and potential conflicts	Scheme manager			