

**NORTH YORKSHIRE FIRE & RESCUE SERVICE
LOCAL PENSION BOARD**

10 December 2019

REPORT OF THE PENSIONS ADMINISTRATOR / MANAGER

Amendment to Pensions Risk Register - Risk Op1

1.0 Purpose of the Report

- 1.1 To propose an amendment to the score of risk Op1 – Member data incomplete or inaccurate.

2.0 Introduction

- 2.1 Risk OP1 includes 'Monthly data postings sent to Pension Provider' as a control measure. Whilst this measure will have a positive impact (by providing up-to-date information to West Yorkshire Pension Fund (WYPF)), the payroll reports received from North Yorkshire County Council are not fit for purpose as a large degree of manipulation is required in order to arrive in the format needed by WYPF.
- 2.2 Prior to April 2019, North Yorkshire Fire and Rescue Service sent an annual return with the pay and contribution data to WYPF. The need to provide more timely information was also raised by Veritau in their 2018/19 audit of the scheme.
- 2.3 A data breach stemming from the 2017/18 annual return came to light on 5 November 2019. It involved the address of an on-call firefighter incorrectly quoting that of another. Despite the monthly returns submitted since April 2019 quoting the correct address, WYPF's software ignored the correct address as the system assumed the use of a former address was being made in error. It was only when the member contacted the Pensions Administrator / Manager to report that he didn't receive his benefit statement, that the breach came to light. As expected, 2018's statement was also sent to the incorrect address as this was produced following the 2017/18 return.
- 2.4 The breach has been reported to the Service's Data Protection Officer, and WYPF have also reported the matter as an internal security breach to Bradford Council.
- 2.5 Board members may recall two data breaches that came to light in 2018, again as a result of the 2017/18 annual return to WYPF. Although they weren't included on the breach register, I will be adding this latest breach to it and, if it occurs again, we will have to report it to the Pensions Regulator on the grounds of materiality. An exercise is underway to identify any further incorrect addresses on the 2017/18 return.
- 2.6 Since the 'launch' of monthly returns, only April – June's have been provided due to the same extensive manual intervention as required when the returns were submitted manually. A further data breach, again concerning addresses, almost occurred on the June return but this was thankfully spotted, and corrected, by WYPF.

3.0 Action Plan

- 3.1 The Pensions Administrator / Manager met with North Yorkshire County Council's Employment Support Services on 7 November to discuss enhancing the payroll reports

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and reducing manual intervention. This included adding members' addresses housed on the individual's payroll record.

- 3.2 The intention is that a comparison will then be done against the address stored on Firewatch, with any mismatches then being replaced with the Firewatch address. Although this will involve Excel formulas, which aren't infalable, this proposal will be more sophisticated than in use currently.
- 3.3 Employment Support Services are currently considering the suggested improvements (along with additional information subsequently provided by the Pensions Administrator / Manager to explain certain requirements). During the meeting, Employment Support Services indicated the suggested improvements weren't unreasonable.
- 3.4 Until the enhancements are made, the risk rating needs to reflect the current increased rate of risk.

4.0 Proposed Change to the score

- 4.1 To increase the pre-control measure score to 12 as the impact is now believed to be 4 rather than 3. The post-control measure score to be increased to 8 due to the heavy manual aspect to manipulate the data from North Yorkshire County Council (NYCC). This has increased the likelihood from 1 to 2. A target score of 4 has been introduced, and it is envisaged that work with NYCC will reduce the likelihood back down to 1 within the next 2 months.
- 4.2 In order to minimise future risks, the Pensions Administrator / Manager proposes not to send any further monthly returns to WYPF.

5.0 Recommendation

- 5.1 That post control risk score for Op1 is amended so that the impact score is increased by 13, giving an overall post control score of 16 (red).

**David Hood
the Pensions Administrator / Manager
19 November 2019**