

## Terms of Reference – Firefighter Pension Scheme Investigation

### Investigation Scope

This investigation is to determine the timeline and causes of various issues with the administration of the West Midlands Firefighter Pension Scheme between November 2021 and July 2022, communication of those issues with affected parties and relevant stakeholders and steps taken to resolve the issues.

It will assess how this has impacted the pensioners through discussions with the employee reps on pensions board. It will seek to determine what additional costs have been incurred by the authority due to these issues, including a projection of future costs and timelines until the issues are remedied.

The views of pensions board representatives, the former pensions board Chair, pensions team and principal officers, relevant members of the fire authority (WMFRA Chair, Chair of A&R) and any other individuals as required should be sought during the investigation.

The investigation will also make recommendations for lessons learned and actions to prevent similar occurrences in future. The review will not report on matters or make recommendations that related to individual employment matters.

A summary of key areas for investigation is provided below, but it is anticipated that the investigation may expand into other relevant matters as required, following consultation with the Chair of A&R and the Vice Chair of the Authority.

### Key areas for inclusion within the Investigation Report

#### **Establishing background**

- A clear timeline of the issues and when stakeholders were informed. Was this in a timely manner? How was the decision when to inform key stakeholders taken? By whom?
- Which individuals, teams or parts of the service were involved in these issues and to whom the recommendations might apply?

#### **PAYE error**

- How did the errors occur?
- What automated or manual checks were in place to pick up on such an error, and why did they not succeed?
- What controls could be put in place to prevent a similar issue in future?
- What communications were there with HMRC about the errors and could anything have been done to rectify the matter with them sooner?
- Why did it take several months to rectify the issue?
- Clarity of role of suppliers (NAMOS/Oracle) in dealing with issues and acceptable timescales for resolution.
- Understand the project management of the new system in terms of business continuity/testing/training/project risk management.

### **Calculation of April payments**

- Were any checks made at the time of the introduction of the new system to determine its impact on payments?
- How did the differences in calculations arise?
- Were there any checks/reconciliations carried out to ensure the new calculations were correct before they were put in place?
- What controls have been put in place to rectify this going forward?

### **Payslips provided in May – data breach**

- What has been the response of the Information Commissioners Officer to the reported breach?
- How many affected pensions have taken up the offer of a paid for credit-checking service, and have any issues been identified as a result?
- What actions will be taken to prevent a similar breach in future?

### **Incorrect figures in communication to members**

- What caused incorrect figures to be calculated/used?
- How many affected and to what value?
- Were any checks/reconciliations in place that should have identified these?
- What controls have been put in place to rectify this going forward?

### **Overall communications and oversight**

- What information about these issues was communicated to scheme members, the Scheme Manager, the Pensions Board and the Fire Authority, and when was it communicated? How was the decision as to when to communicate with these key stakeholders taken, by whom and why?
- What reporting should there have been to the Audit and Risk Committee as the Scheme Manager, and the Pensions Board on these issues and to support them to undertake their roles as defined by legislation and their terms of reference? How was decision reached? By whom? Why?
- Where there missed opportunities missed to communicate with scheme members, the Scheme manager, the pensions board, and the fire authority about these issues? How was this decision reached? By whom? Why?
- Should internal or external auditors have been made aware of the issues, and if so, at what point? How was decision not to inform the auditors reached? By whom? Why?
- What steps have been taken to improve communications going forward?