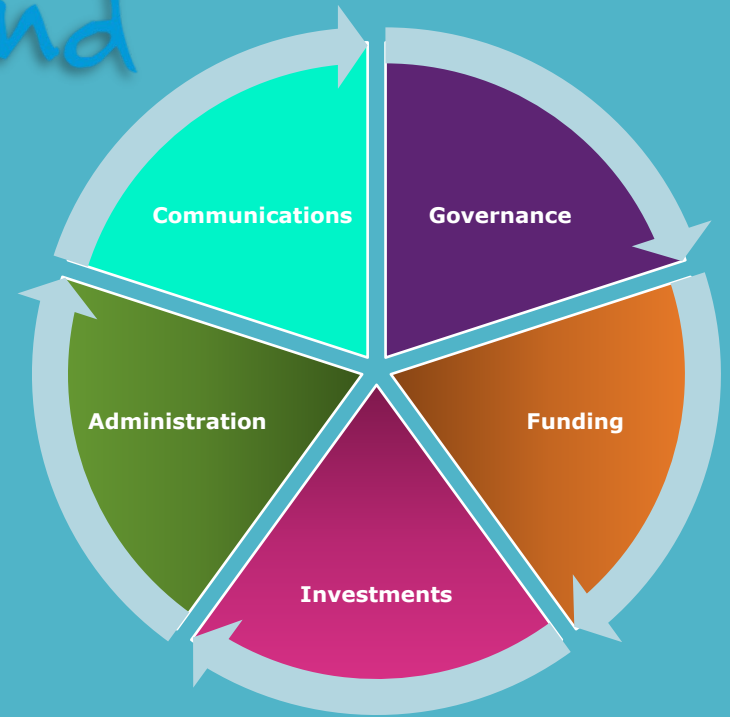


# Essex Pension Fund

## Update on Pension Fund Activity

### Agenda Item 04



#### Contents:

- Section A: Business Plan Progress Update
- Section B: Budget vs Forecast Update
- Section C: Scorecard Update
- Section D: Risk Management

# Essex Pension Fund

Section A

2021/22

Business Plan

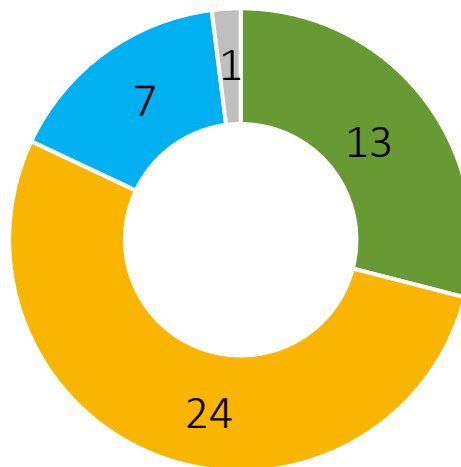
Progress Update

01 June 2021 – 31 August 2021



# Strategic BAU & Key Priorities

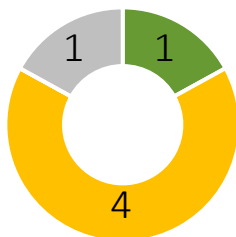
Essex Pension Fund



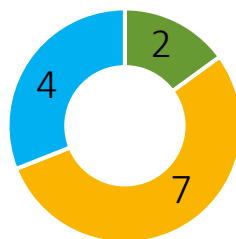
Of 45 Priorities

■ Completed ■ In Progress ■ Delayed ■ Not due to start ■ Not Applicable

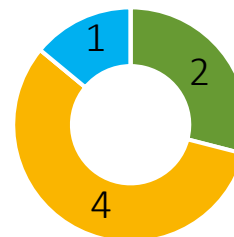
Funding



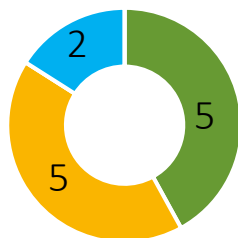
Investments



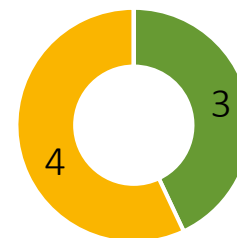
Administration



Governance



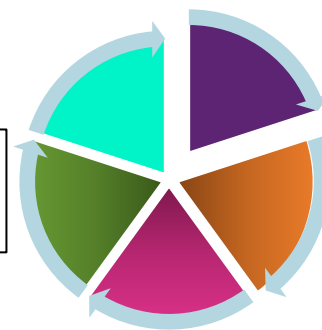
Communications



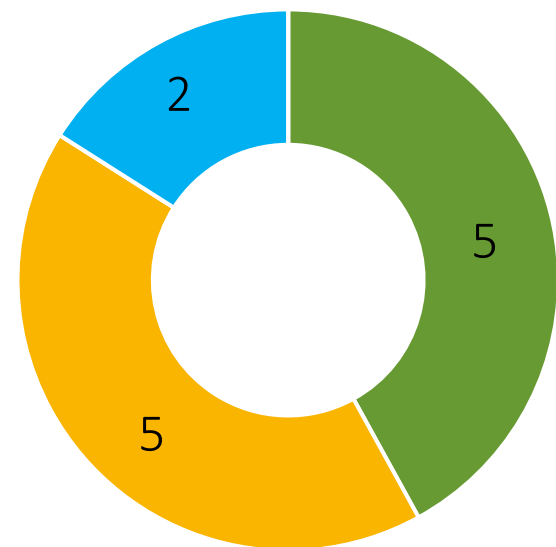
# 1. Progress - Governance

Strategic BAU & Key Priorities	P	C
1. Agree 2022/23 Business Plan & Budget		
2. Annual Review of Terms of Reference for PSB/ISC/PAB		
3. Implementation of Members' knowledge and understanding – Knowledge & Skills Strategy		
4. Implementation of Members' knowledge and understanding – Training Plan and Training Needs Analysis		
5. Implementation of Business Continuity Policy		
6. Ongoing review of Business Continuity Plan (including Cyber Security) and Testing		
7. Annual Statement of Accounts including compliance with CIPFA requirements		
8. Development of Stakeholder Strategy		
9. Implementation of Governance Review and Effectiveness Survey		
10. LGPS Reform		
11. Commencement of AVC Review		
12. Independent Governance & Administration Adviser (IGAA) Contract Review		

P – Previous  
C – Current

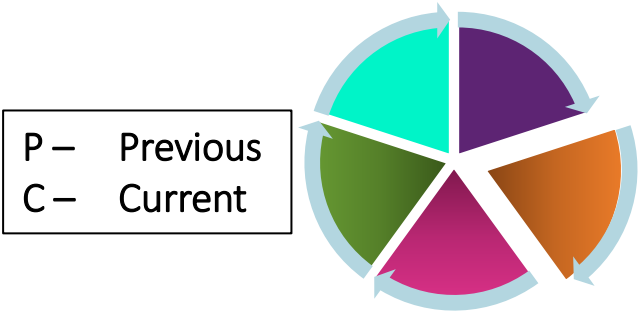


Strategic BAU & Key Priorities



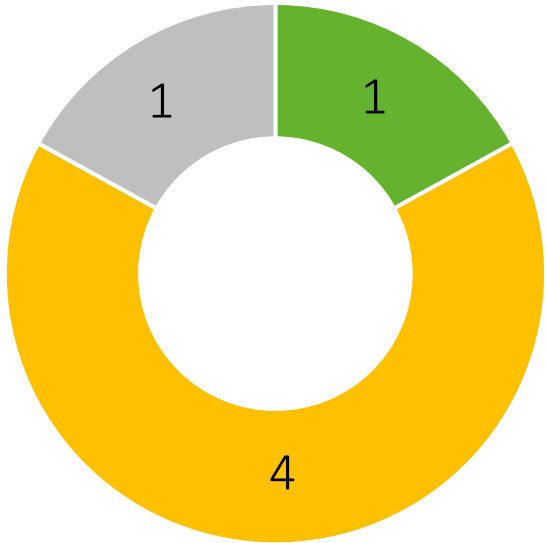
■ Completed  
■ Delayed  
■ Not Applicable  
■ In Progress  
■ Not due to start

# 2. Progress - Funding



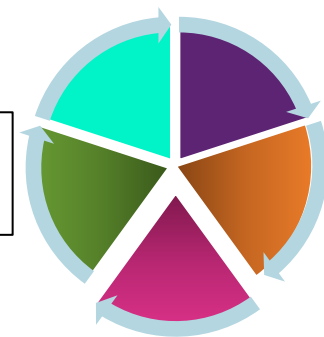
Strategic BAU & Key Priorities	P	C
1. Update Funding Strategy Statement (including Flexibilities Policies)	Completed	Completed
2. Annual Interim Funding review	Not due to start	In Progress
3. Employing Authority discretions and delegations review	Not Applicable	Not Applicable
4. Employer Risk review	Not due to start	In Progress
5. McCloud Preparation/Implementation	In Progress	In Progress
6. Employer Training Webinars	In Progress	In Progress

Strategic BAU & Key Priorities



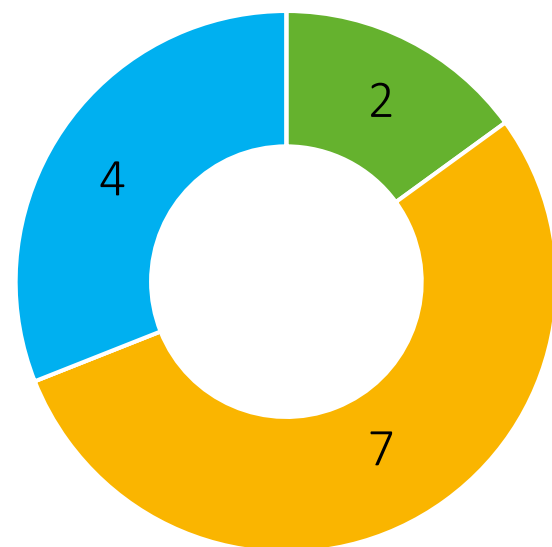
- Completed
- In Progress
- Delayed
- Not due to start
- Not Applicable

# 3. Progress - Investments



P – Previous  
C – Current

Strategic BAU & Key Priorities



■ Completed  
■ In Progress  
■ Not due to start  
■ Not Applicable

## Strategic BAU & Key Priorities

1. Develop/Implement Investment Managers Engagement Strategy

2. 2022/23 Treasury Management Strategy review

3. Strategic Asset Allocation review

4. ACCESS collaboration

5. Individual Manager review (on an exceptional basis)

6. Review of CEM Benchmarking / Cost Transparency

7. Development and Implementation to become Signatory of the Financial Reporting Council UK 2020 Stewardship Code

8. Commencement of Annual Review of all investment managers' compliance with the Fund's RI and Stewardship Policy

9. Development of Climate Change Policy Objectives and Metrics (Task Force for Climate related Financial Disclosures)

10. Implementation of Institutional Investment Consultant procurement

11. Institutional Investment Consultant – CMA review

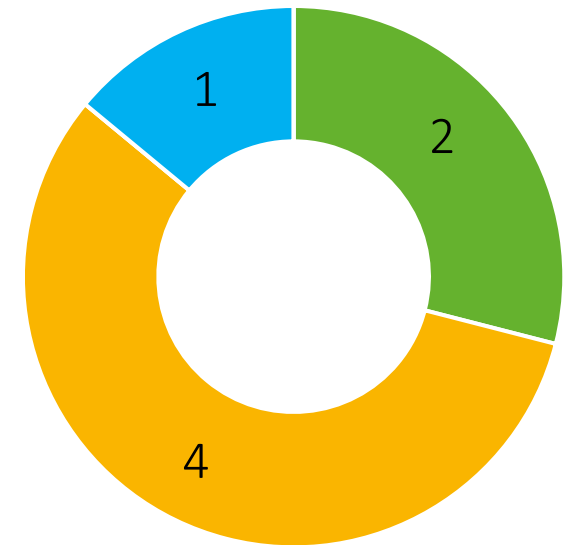
12. Implementation of Global Custody procurement

13. Exploration of external RI Adviser

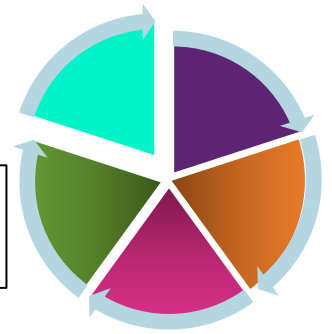
P

C

P –	Previous
C –	Current



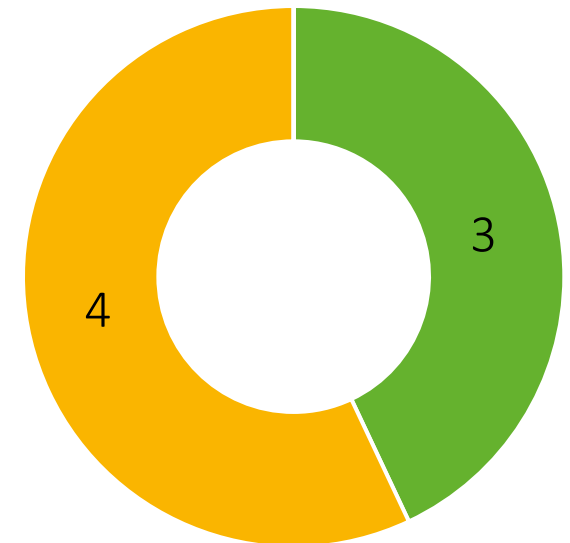
# 5. Progress - Communications



P – Previous  
C – Current

Strategic BAU & Key Priorities	P	C
1. Development of Stakeholder Strategy		
2. LGPS Reform: <ul style="list-style-type: none"> <li>• Unpausing of Cost Cap</li> <li>• £95k Cap</li> <li>• Goodwin</li> </ul>		
3. Greater Digitalisation of the Fund including the exploration of Electronic Communications		
4. McCloud Implications		
5. Implementation of Social Media Channel		
6. Commencement of the Website review		
7. Annual Benefit Statements review and development		

Strategic BAU & Key Priorities

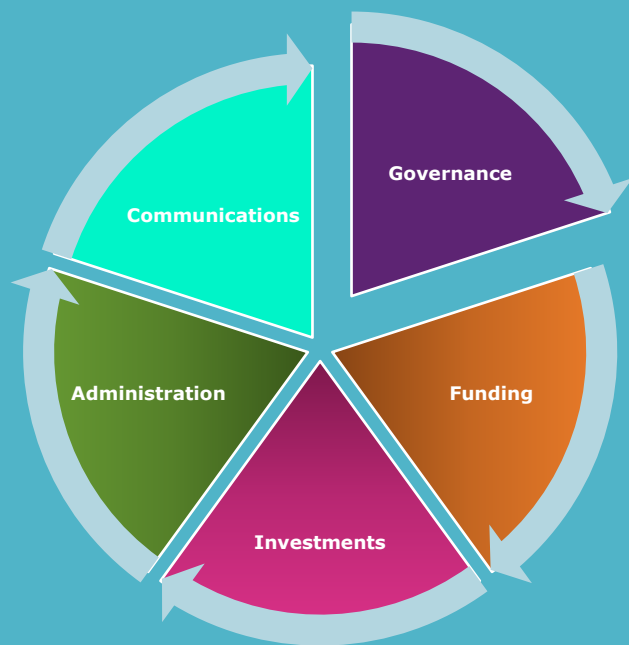


■ Completed  
■ Delayed  
■ Not Applicable  
■ In Progress  
■ Not due to start



# Commentary

## 1. Governance



Strategic BAU & Key Priorities		Commentary
1. Agree 2022/23 Business Plan & Budget		2021/22 Business Plan & Budget was agreed at the 17 March 2021 PSB meeting. The 2022/23 Business Plan & Budget process will commence in Q4 2021/22.
2. Annual Review of Terms of Reference for PSB/ISC/PAB		Complete.
3. Implementation of Members' knowledge and understanding – Knowledge & Skills Strategy		Complete.
4. Implementation of Members' knowledge and understanding – Training Plan and Training Needs Analysis		All Board/Committee Members are in receipt of their Individual Training Plans along with the relevant Two-Year Training Plans. The outcome is provided as part of this Agenda pack.
5. Implementation of Business Continuity Policy		Complete.



Strategic BAU & Key Priorities		Commentary
6. Ongoing review of Business Continuity Plan (including Cyber Security) and Testing		Ongoing. Further testing of the Plan is scheduled throughout the year.
7. Annual Statement of Accounts including compliance with CIPFA requirements		In progress, pending External Audit sign off.
8. Development of Stakeholder Strategy		Commenced during July 2021.
9. Implementation of Governance Review and Effectiveness Survey		Complete for PSB/ISC. In progress for PAB.
10. LGPS Reform		Ongoing.
11. Commencement of AVC Review		Commenced. The outcome will be brought to a future meeting.
12. Independent Governance & Administration Adviser (IGAA) Contract Review		Due to commence in Q3 2021/22.

# Commentary

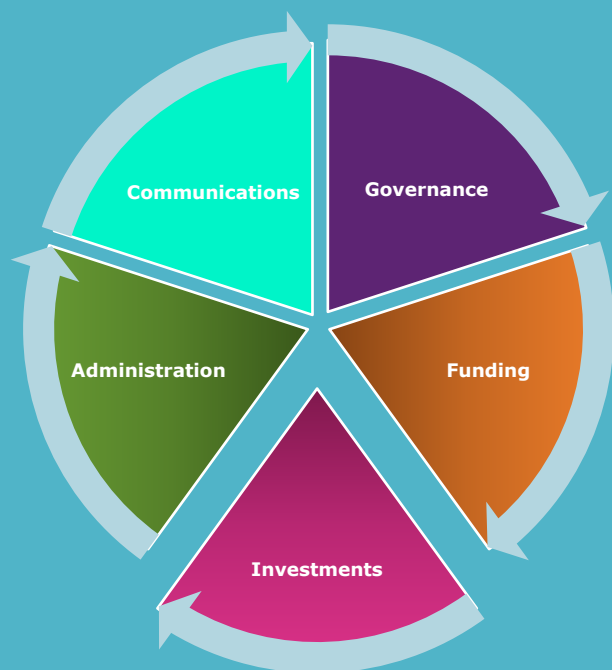
## 2. Funding



Strategic BAU & Key Priorities		Commentary
1. Update Funding Strategy Statement (including Flexibilities Policies)		Complete.
2. Annual Interim Funding review		The Fund Actuary has commenced the Annual Interim Funding Review and the outcome will be reported to the December 2021 PSB.
3. Employing Authority discretions and delegations review		Periodically reviewed as and when required.
4. Employer Risk review		The Fund has commenced the Employer Risk Review in conjunction with the Annual Interim Funding review with input from the Actuary.
5. McCloud Preparation/Implementation		Ongoing.
6. Employer Training Webinars		Ongoing.

# Commentary

## 3. Investments



Strategic BAU & Key Priorities		Commentary
1. Develop/Implement Investment Managers Engagement Strategy		The RI Project Plan was agreed at 16 June 2021 ISC meeting which set out a timetable for achieving key deliverables.
2. 2022/23 Treasury Management Strategy review		Due in Q4 2021/22.
3. Strategic Asset Allocation review		The Strategic Asset Allocation review is conducted on a Biannual basis and is reported to the ISC for decisions as and when required.
4. ACCESS collaboration		Ongoing.
5. Individual Manager review (on an exceptional basis)		Routinely reported to ISC at each meeting.
6. Review of CEM Benchmarking / Cost Transparency		In progress.
7. Development and Implementation to become Signatory of the Financial Reporting Council UK 2020 Stewardship Code		The RI Project Plan was agreed at 16 June 2021 ISC meeting which set out a timetable for achieving key deliverables.



Strategic BAU & Key Priorities		Commentary
8. Commencement of Annual Review of all investment managers' compliance with the Fund's RI and Stewardship Policy		The RI Project Plan was agreed at 16 June 2021 ISC meeting which set out a timetable for achieving key deliverables.
9. Development of Climate Change Policy Objectives and Metrics (Task Force for Climate related Financial Disclosures)		The RI Project Plan was agreed at 16 June 2021 ISC meeting which set out a timetable for achieving key deliverables.
10. Implementation of Institutional Investment Consultant procurement		Complete.
11. Institutional Investment Consultant – CMA review		Due Q3 of 2021/22.
12. Implementation of Global Custody procurement		Complete. New Contract commenced on 01 September 2021.
13. Exploration of external RI Adviser		Due Q3 2021/22.

# Commentary

## 4. Administration



Strategic BAU & Key Priorities		Commentary
1. Review Administration Strategy		The Review of the Administration Strategy has commenced and will be reported to a future meeting.
2. LGPS Reform – Planning for Administration changes: <ul style="list-style-type: none"> <li>Unpausing of Cost Cap</li> <li>95k Cap</li> <li>Goodwin</li> </ul>		Ongoing. Unpausing of Cost Cap – Administration implications are possible but not yet clear. 95k was revoked last year however a new consultation during 2021/22 is expected. Goodwin – waiting for MHCLG to issue guidance.
3. Commencement of Pensions Single Payments provider review		Pending the BACS Cloud Procurement led by ECC.
4. Greater Digitalisation of the Fund including Member Online, Employer Online and Retire Online		Ongoing. Continuous development and implementation throughout the year.
5. McCloud Preparation/Implementation		Ongoing. Continuous development throughout the year.
6. Commencement of Monthly Returns Digital Transformation		Complete.
7. The Pensions Regulator (TPR) Data Improvement Plan		Complete. The review of the Fund's Data Improvement Plan has been completed and will be implemented during the next three years.

# Commentary

## 5. Communications



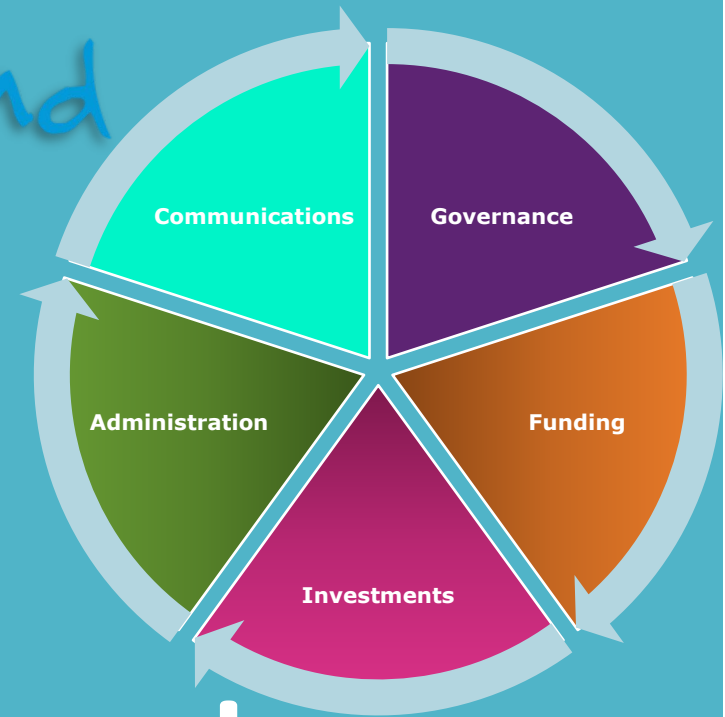
Strategic BAU & Key Priorities		Commentary
1. Development of Stakeholder Strategy		Commenced during July 2021.
2. LGPS Reform: <ul style="list-style-type: none"> <li>Unpausing of Cost Cap</li> <li>£95k Cap</li> <li>Goodwin</li> </ul>		Ongoing. Communications on these issues will be developed once further guidance and communications have been issued from MHCLG etc.
3. Greater Digitalisation of the Fund including the exploration of Electronic Communications		Ongoing. Continuous development and implementation throughout the year.
4. McCloud Implications		Ongoing. Continuous development throughout the year.
5. Implementation of Social Media Channel		Implementation complete.
6. Commencement of the Website review		Commenced. An update will be provided at a future meeting.
7. Annual Benefit Statements review and development		Complete.

# Essex Pension Fund

## Section B

# 2021/22 Budget vs Current Forecast Q2 Update

Date produced: 08 September 2021

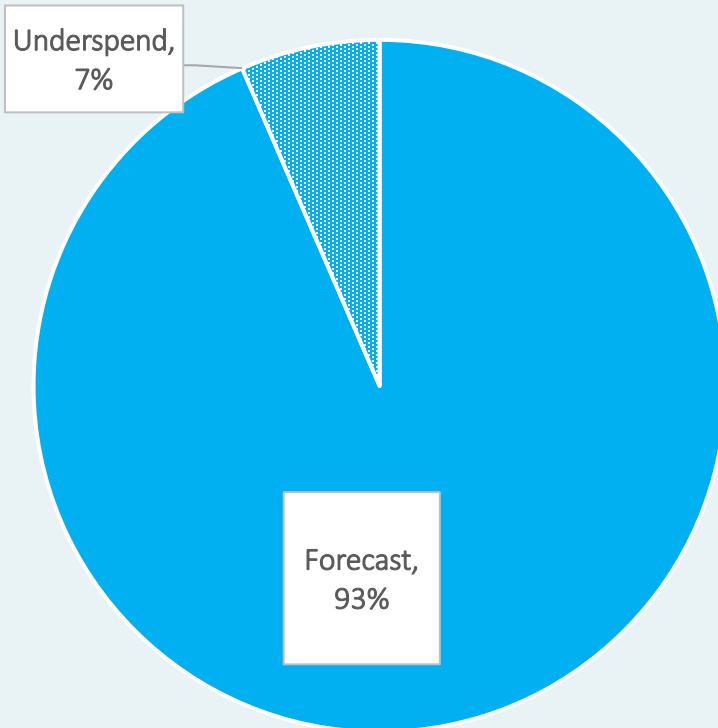









# EPF Budget vs Forecast 2021/22

## Q2 Progress Update

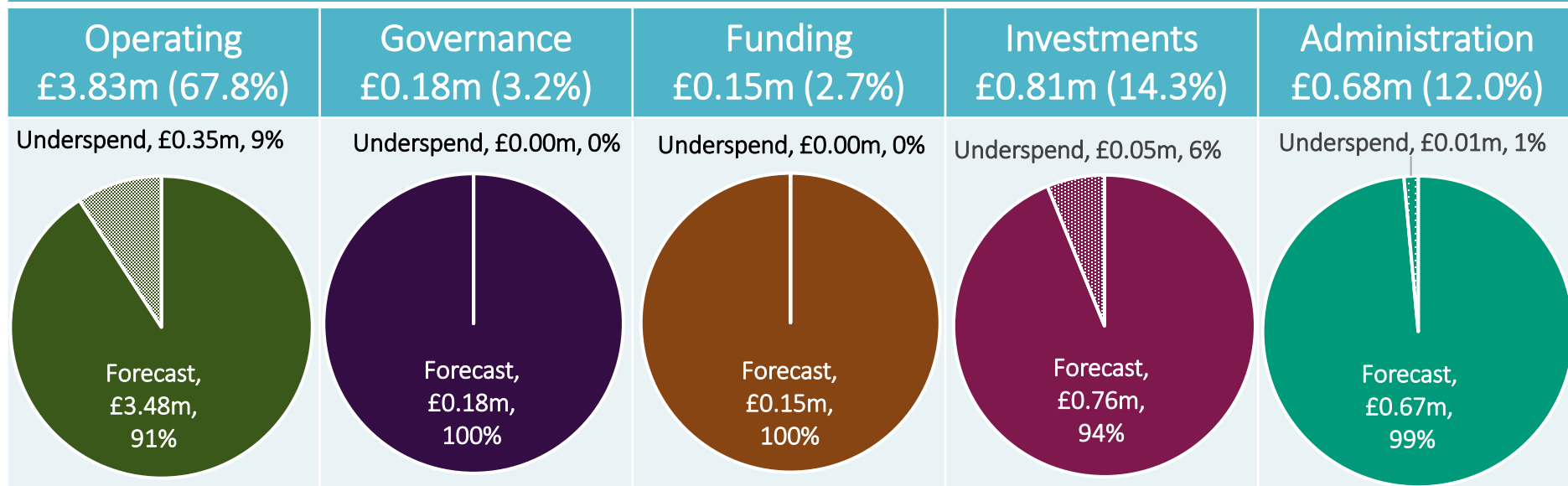
EPF Budget £5.65m	Current Forecast £5.24m	Variance (Under)/ Overspend (£0.41m)	Rating 	Progress Update Commentary	Variance against Budget Key
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*Overall forecast an underspend vs EPF 2021/22 Budget. This underspend is largely driven by the increased time it has taken to recruit additional staff.*

(Under) spend > 5%	
(Under) spend < 5%	
On Budget	
Over spend < 5%	
Over spend > 5%	

## EPF Budget 2021/22: £5.65m



## Variance against Budget: Rating



## Budget Commentary

Forecast a significant underspend on EPF Staffing Budget for the year. This has been largely driven by recruitment taking longer than anticipated and savings made by utilising the Government Kickstart Scheme.

Governance expenditure forecast to be in line within Budget.

Actuarial advice forecast expected to be in line with Budget.

Forecast an underspend for the year this is largely driven by savings expected on the newly negotiated Custody contract for the second half of the year. Some of these savings have been offset by some additional expenditure in relation to the increased Responsible Investment work.

Forecast a slight underspend for the year.

# Essex Pension Fund

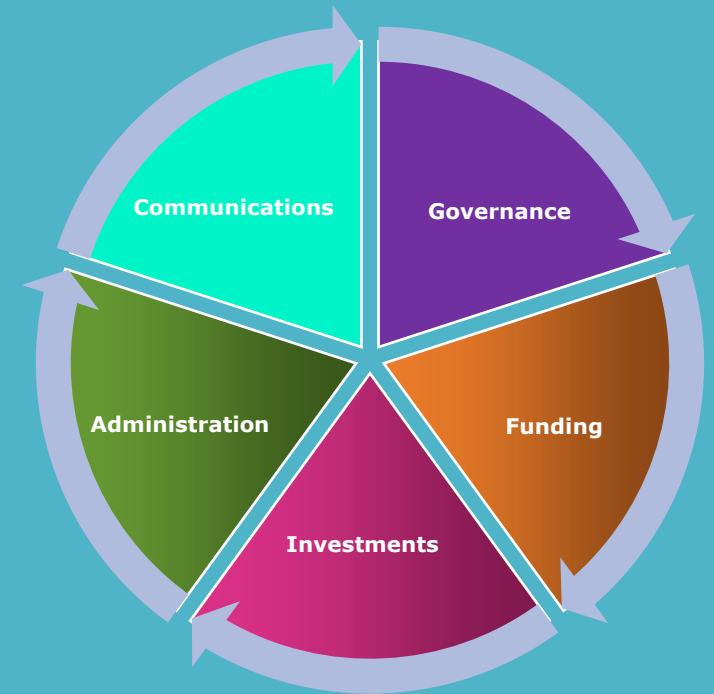
Section C

2021/22

Scorecard

Update

01 April 2021 - 30 June 2021

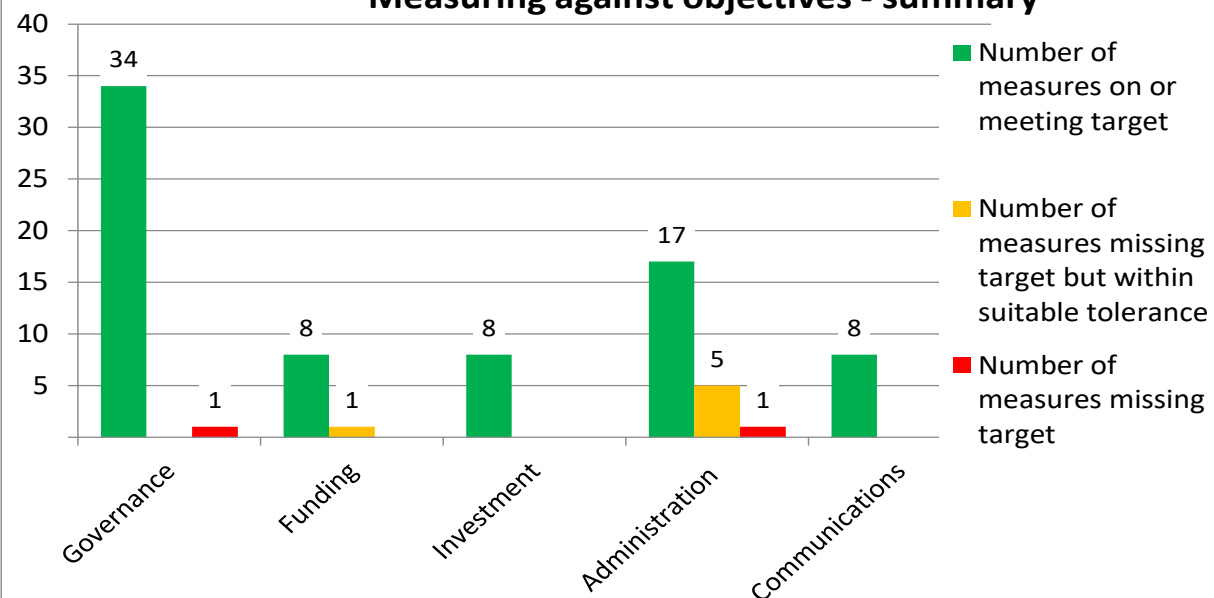


# Current Status

Progress towards meeting EPF objectives



Measuring against objectives - summary



# Movements since previous Scorecard

Governance	Funding	Investment	Administration	Communications
	No movements since the last quarter	No movements since the last quarter	No movements since the last quarter	No movements since the last quarter

The numbers on the arrows represent the number of measures moving each way

Movements during the period 01 April 2021 to 30 June 2021

# Governance

## 1.1 - Provide a high quality service whilst maintaining value for money



Measure Owner: Amanda Crawford

Data lead: David Tucker

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
1.1.1.	Fund's cost per member is within 2nd/3rd quartile of LGPS funds	Yes	Yes / No	31 Dec 2020			Within 2nd/3rd quartile	Yes	N/A	N/A	Annual (Approx Dec)	Cost per member was £18.56 (between 1st and 2nd quartile) in 2019/20 (£16.94 in 2018/19) compared to the CIPFA Benchmarking average of £20.00. (The CIPFA Benchmarking average for 2019/20 was £21.34). This is an annual measure and will not be updated until December 2021.
1.1.2	Number of Scheme Member / Employer / Other Stakeholder complaints	3	# Odp	30 Jun 2021			Number	5	10	Low	Scorecard period	1 Member believed the Fund had lost their Scheme Membership details however full investigation has revealed the individual is not in an LGPS Fund. 1 Member had a delay in payment due to the Employer not providing the information which has since been collected and resolved. 1 Member made a formal complaint in regard to her joining letter being sent to her old address. This has now been resolved. 0 reported to the 07 July 2021 PSB.
1.1.3.	Number of Scheme Member / Employer / Other Stakeholder compliments	31	# Odp	30 Jun 2021			Number	15	10	High	Scorecard period	Of the 31 compliments, 3 were from Scheme Employers, 1 was from a Board/Committee Member and 27 were from Scheme Members. 13 (against a monthly target of 5) was reported to the 07 July 2021 PSB.
1.1.4.	Number of IDRP appeals against the Administering Authority upheld	0	# Odp	30 Jun 2021			Number	0	5	Low	Scorecard period	0 reported to the 07 July 2021 PSB.

Notes relating to results

# Governance

## 1.2 - Ensure compliance with the Local Government Pension Scheme (LGPS) regulations, other relevant legislation and the Pensions Regulator's Codes of Practice



**Measure Owner: Amanda Crawford**

**Data lead: Amanda Crawford**

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
1.2.1.	Number of Material LGPS Breaches identified and reported to TPR	0	# Odp	30 Jun 2021			Number	0	N/A	Low	Scorecard period	0 reported to the 07 July 2021 PSB.
1.2.2	% of TPR Code individual requirements that EPF is compliant in	100%	% Odp	31 Dec 2020			% compliant	90%	85%	High	Annual (December)	Last year (2019/20) the Fund achieved 91% compliance against this measure. This is an annual measure and will not be updated until December 2021.
1.2.3	% of Board/Committee agendas sent out 5 working days before meetings	100%	% Odp	30 Jun 2021			% issued	100%	90%	High	Scorecard period	During Quarter 1 of 2021/22, 1 ISC meeting was held on 16 June 2021, with the Agenda Pack issued by the required deadline. 100% was reported to the 07 July 2021 PSB.
1.2.4	% of Board/Committee minutes uploaded to internet within 12 working days after meetings	100%	% Odp	30 Jun 2021			% uploaded	100%	75%	High	Scorecard period	During Quarter 1 of 2021/22, 1 ISC meeting was held on 16 June 2021 with the minutes issued by the required deadline. 100% was reported to the 07 July 2021 PSB.
1.2.5	All EPF Policies and Publications are reviewed in line with the Business Plan and approved by the PSB/ISC where applicable	Yes	Yes / No	30 Jun 2021			All reviewed	Yes	N/A	N/A	Current (each scorecard)	No Policies were taken to the June ISC and no PSB meeting was held during the 1st Quarter.

## Notes relating to results

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# Governance

## 1.3 - Ensure the Fund is managed and its services delivered by people who have the appropriate knowledge and expertise



Measure Owner: Amanda Crawford

Data lead: Amanda Crawford

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
1.3.1.	Board/Committee Members Training Strategy (Knowledge & Skills) and Training plan in place	Yes	Yes / No	31 Dec 2020			In place	Yes	N/A	N/A	Current (each scorecard)	The new Knowledge and Skills Strategy and Training Plan was approved by the PSB at their 16 December 2020 meeting.
1.3.2.	Individual Training Needs Analysis carried out for all Board/Committee Members in last 24 months		Yes / No	30 Jun 2021			All carried out	Yes	N/A	N/A	2-year rolling	The roll out of the TNA's has continued with Fund Officers in the final stages of completing the PSB/ISC Members TNAs.
1.3.3.	All new PSB, ISC, PAB members have internal induction training carried out within 3 months of confirmed appointment	Yes	Yes / No	30 Jun 2021			All carried out	Yes	N/A	High	12-month rolling	All new PSB/ISC/PAB Members have received their induction training where deemed appropriate.
1.3.4.	All desirable external events identified covering the period since the last scorecard have been attended by at least one member of the Management Team or relevant Officer / Board Member representative	100%	% Odp	30 Jun 2021			% achieved	95%	85%	High	Scorecard period	Not applicable to Board/Committee Members due to the local elections. All Fund Officers have attended the external training events identified during this quarter.
1.3.5.	PSB Members achieved required training credits within a rolling 2-year period	159%	% Odp	30 Jun 2021			% attended	90%	75%	High	2-year rolling	This is against the target set in a rolling two year period in line with the new Knowledge and Skills Strategy. 160% was reported to the 07 July 2021 PSB.
1.3.6.	% attendance at meetings by PSB		% Odp	30 Jun 2021			% achieved	80%	70%	High	Scorecard period	No PSB meeting took place during this scorecard period. 91% was reported to the 07 July 2021 PSB.
1.3.7.	ISC Member achieved required training credits within a rolling 2-year period	170%	% Odp	30 Jun 2021			% attended	90%	75%	High	2-year rolling	This is against the target set in a rolling two year period in line with the new Knowledge and Skills Strategy. 170% was reported to the 07 July 2021 PSB.
1.3.8.	% attendance at meetings by ISC	89%	% Odp	30 Jun 2021			% achieved	80%	70%	High	Scorecard period	1 ISC meeting took place in this scorecard period on 16 June 2021. 89% was reported to the 16 June 2021 meeting.
1.3.9.	PAB Members achieved required training credits within a rolling 2-year period	99%	% Odp	30 Jun 2021			% attended	90%	75%	High	2-year rolling	This is against the target set in a rolling two year period in line with the new Knowledge and Skills Strategy. 103% was reported at the 07 July 2021 PSB.
1.3.10.	% attendance at meetings by PAB		% Odp	30 Jun 2021			% attended	80%	70%	High	Scorecard period	No PAB meeting took place during this scorecard period. 100% was reported at the 07 July 2021 PSB.

Notes relating to results



# Governance

## 1.4 - Evolve and look for new opportunities, ensuring efficiency at all times



Measure Owner: Jody Evans      Data lead: Amanda Crawford

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
1.4.1.	Fund 3-year Business Plan and budget prepared and presented for approval prior to each new financial year, following consultation with the Fund's advisers/consultants	Yes	Yes / No	31 Mar 2021			Achieved	Yes	N/A	N/A	Annual (31st March)	The 2021/22 to 2023/24 Business Plan was approved by the PSB at their 17 March 2021 meeting.
1.4.2.	Progress against the Fund's Annual Business Plan reported to each PSB meeting	Yes	Yes / No	30 Jun 2021			Achieved	Yes	N/A	N/A	Scorecard Period	13 out of 45 Priorities have been completed to date.
1.4.3.	EPF Forecast in line with agreed Budget	Yes	Yes / No	30 Jun 2021			In line with Budget	Yes	N/A	N/A	Scorecard Period	7% underspend has been reported to date.

Notes relating to results

# Governance

## 1.5 - Act with integrity and be accountable to our stakeholders



Measure Owner: Amanda Crawford

Data lead: Amanda Crawford

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
1.5.1.	Number of complaints made against Board/Committee Members in relation to the work of the Fund	0	# Odp	30 Jun 2021			Number	0	N/A	Low	Current (each scorecard)	0 was reported to the PSB at their 07 July 2021 meeting.
1.5.2.	Number of complaints upheld against Board/Committee Members in relation to the work of the Fund	0	# Odp	30 Jun 2021			Number	0	N/A	Low	Current (each scorecard)	0 was reported to the PSB at their 07 July 2021 meeting.
1.5.3.	EPF declaration forms completed or reaffirmed by PSB/ISC and PAB Members with Third Party Transactions Declarations completed to fulfil the statutory requirements for the production of the Fund's Financial Statements on an annual basis	Yes	Yes / No	30 Jun 2021			All completed	Yes	N/A	N/A	Annual	All Members have completed the Third Party Transaction returns for the 2020/21 Annual Report and Accounts. In addition, all Members have completed the Annual Essex Pension Fund Declaration of Interest Form.
1.5.4.	ECC declaration forms completed or reaffirmed by Management Team Officers in with ECC Policy	Yes	Yes / No	31 Dec 2020			All completed	Yes	N/A	N/A	Annual	All Fund Officers have completed the annual ECC Declarations by 30 November 2020 with new team members completing as part of their induction.
1.5.5.	PSB has provision for representatives of employers and scheme members. Appointees are currently in place	Yes	Yes / No	30 Jun 2021			All in place	Yes	N/A	N/A	Current (each scorecard)	All appointees of the PSB are currently in place.
1.5.6.	PAB has provision for representatives of employers and scheme members. Appointees are currently in place	No	Yes / No	30 Jun 2021			All in place	Yes	N/A	N/A	Current (each scorecard)	On 17 February 2021, Fund Officers received a resignation from one PAB Scheme Member representative. Recruitment activities are in the process of being completed and an update has been provided as part of this Agenda Pack.
1.5.7.	Terms of Reference for PSB/ISC and PAB in place and reviewed	Yes	Yes / No	30 Jun 2021			All in place	Yes	N/A	N/A	Annual	All PSB, ISC and PAB Terms of Reference were reviewed and noted by the PSB, ISC and PAB at their first meetings of the municipal year.

Notes relating to results

# Governance

## 1.6 - Understand and monitor risk and compliance



Measure Owner: Amanda Crawford

Data lead: Samantha Andrews

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
1.6.1.	% of risks currently equal to or better than total target risk rating	96%	% Odp	30 Jun 2021			% of risks	90%	85%	High	Current (each scorecard)	This has improved since the last quarter due to the outcome of the elections and Full Council meeting held 25 May 2021 with minimal impact on Board/Committee Membership affecting the score of Risk G3. In addition, two further improvements are in regard to the impacts of Covid-19 with the likelihood ratings being reduced affecting the scores of Risk G9 and A1.
1.6.2.	EPF have been subject to audit by ECC Internal Audit	Yes	Yes / No	30 Jun 2021			Audit done	Yes	N/A	N/A	12-month rolling	The 2020/21 Internal Audit has resulted in two 'Good Assurance' Reports for the Fund with no recommendations made. These were reported to the 07 July 2021 PSB meeting.
1.6.3.	Number of internal audit reviews finding satisfactory / good governance	2	# Odp	30 Jun 2021			Number	2	1	High	12-month rolling	The 2020/21 Internal Audit has resulted in two 'Good Assurance' Reports for the Fund with no recommendations made. These were reported to the 07 July 2021 PSB meeting.
1.6.4.	Number of internal audit recommendations outstanding	0	# Odp	30 Jun 2021			Number	0	3	Low	12-month rolling	No recommendations were made in regard to the 2020/21 Internal Audit Reports for the Fund.
1.6.5.	EPF have been subject to audit by External Auditors		Yes / No	30 Jun 2021			Audit done	Yes	N/A	N/A	12-month rolling	The Audit Planning Report presented to the Audit, Governance and Standards Committee in March 2021 and subsequently the PSB at their 07 July 2021 meeting, it was noted that this Audit would not commence until July 2021. However, the audit has since been delayed with a revised start date of August 2021.
1.6.6.	External Audit providing an unqualified opinion		Yes / No	30 Jun 2021			Un-qualified opinion received	Yes	N/A	N/A	12-month rolling	The 2020/21 Audit is due to commence in August 2021.

Notes relating to results

# Governance

## 1.7 - Provide a high quality service whilst maintaining value for money



Measure Owner: Jody Evans      Data lead: Amanda Crawford

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
1.7.1.	% priorities within current business plan on target for completion	100.0%	% 1dp	30 Jun 2021			% on target	90.0%	85.0%	High	Current (each scorecard)	All 2021/22 Business Plan activities are on target and an update has been provided as part of this Agenda Pack.
1.7.2.	Up to date scorecard provided to PSB and PAB for each meeting	Yes	Yes / No	30 Jun 2021			Scorecard provided	Yes	N/A	N/A	Scorecard period	This Scorecard has been presented to the PSB as part of this Agenda Pack.

Notes relating to results

# Governance

1.8 - Ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services is protected and preserved



Measure Owner: Amanda Crawford      Data lead: Amanda Crawford

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
1.8.1.	EPF business continuity plan in place and reviewed in last 12 months	Yes	Yes / No	31 Mar 2021			Complete & reviewed	Yes	N/A	N/A	12-month rolling	Business Continuity Plan in place and last reviewed by the PSB at their 17 March 2021 meeting.
1.8.2.	Business Continuity Testing Schedule (including cyber risk testing) in place for EPF and being tested regularly by agreed dates	Yes	Yes / No	30 Jun 2021			Complete & being met	Yes	N/A	N/A	Current (each scorecard)	Business Continuity Plan in place and tested in line with Testing Schedule. The Fund are also in the process of developing a Cyber Policy and are planning specific Cyber Testing with the IGAA.
1.8.3.	Number of material data security breaches by EPF	0	# Odp	30 Jun 2021			Number	0	N/A	Low	Scorecard period	0 was reported to the PSB at their 07 July 2021 meeting.

Notes relating to results

# Funding

2.1 To recognise in drawing up its Funding Strategy the desirability of employer contributions that are as stable as possible



**Measure Owner: Sara Maxey**      **Data lead: Sara Maxey**

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
2.1.1.	Stability mechanisms are included within the current Funding Strategy	Yes	Yes / No	31 Dec 2020			Mechanism included	Yes	N/A	N/A	Triennial (approx March)	The Interim Review was reported to the PSB at their 16 December 2020 meeting where it was confirmed that no amendments to that set out in the FSS were required.
2.1.2.	Employers are consulted during the Valuation process in consultation with the Fund's Actuary	Yes	Yes / No	4 Mar 2020			All are consulted	Yes	N/A	N/A	Triennial (approx March)	Employers were consulted during the Valuation process and this was reported to the PSB at their 04 March 2020 meeting.

## Notes relating to results

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# Funding

2.2 To prudently set levels of employer contributions that aim to achieve a fully funded position in the timescales determined in the Funding Strategy Statement



Measure Owner: Sara Maxey      Data lead: Sara Maxey

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
2.2.1.	Funds probability of reaching 100% funding target in the current valuation cycle	75%	% 0dp	31 Mar 2021			% prob-ability	50%	45%	High	Triennial (approx March)	The Asset Liability Study was reported to the ISC at their 20 January 2021 meeting. It was confirmed that the probability of reaching the funding target is on track and no amendments were required.

Notes relating to results

# Funding

2.3 Manage employers’ liabilities effectively, having due consideration of each employer’s strength of covenant, by the adoption, where necessary, of employer specific funding objectives



Measure Owner: Sara Maxey      Data lead: Sara Maxey

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
2.3.1.	The Funding Strategy incorporates different funding objectives for different groups of employers	Yes	Yes / No	31 Mar 2020			Different objectives in place	Yes	N/A	N/A	Triennial (Valuation date + 1 year)	This is a three-year measure. The current Funding Strategy incorporates different funding objectives for different groups of Employers.

Notes relating to results



# Funding

## 2.4 To ensure consistency between Investment Strategy and Funding Strategy



Measure Owner: Sara Maxey      Data lead: Sara Maxey

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
2.4.1.	Investment Strategy reviewed after Asset Liability Study is carried out using liability information from the latest actuarial valuation	Yes	Yes / No	31 Mar 2021			Strategy review complete	Yes	N/A	N/A	Triennial (Valuation Date + 2 years)	The Asset Liability Study was reported to the ISC at their 20 January 2021 meeting. It was confirmed that no changes were required. The outcome was that the current Strategy is expected to achieve a 5.5% return against the Funding Strategy assumption of 4.5%.
2.4.2.	Expected return of investment strategy is higher than the funding strategy assumed return	Yes	Yes / No	31 Mar 2021			Investment % exceeds funding %	Yes	N/A	N/A	Current	The Asset Liability Study was reported to the ISC at their 20 January 2021 meeting, with no changes required to the de-risking programme.

Notes relating to results

# Funding

2.5 Maintain liquidity in order to ensure benefits can be met as and when they fall due over the lifetime of the Fund



Measure Owner: Sara Maxey      Data lead: Sara Maxey

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
2.5.1.	Sufficient investment income is available to supplement contribution income to meet benefit payments	Yes	Yes / No	30 Jun 2021			Sufficient income	Yes	N/A	N/A	Scorecard period	Should any contribution income be at risk, there is suitable investment income to offset this.

Notes relating to results

# Funding

2.6 Adopt appropriate measures and approaches to reduce the risk, as far as possible, to the Fund, or other employers and ultimately the tax payer from an employer defaulting on its pension obligations to minimise unrecoverable debt on termination of employer participation



Measure Owner: Sara Maxey      Data lead: Sara Maxey

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
2.6.1.	Potentially unrecoverable deficit due to employers leaving scheme (as a percentage of Total Fund deficit)	0.038%	% 3dp	30 Jun 2021			% potential unrecoverable debt	0.000%	0.100%	Low	Current (each scorecard)	On a full cessation basis there is an updated total sum potentially unrecoverable of £3.2m. On an ongoing basis there is no deficit. 0.038% was reported to the 07 July PSB.
2.6.2.	Deficit unrecoverable due to employers leaving scheme (as a proportion of Total Fund deficit)	0.000%	% 3dp	30 Jun 2021			% actual unrecoverable debt	0.000%	0.100%	Low	Scorecard period	Two liquidations are in progress, however the outcome of the potential recovery will not be known until the Insolvency Practitioners have completed due process. 0.000% was reported to the 07 July PSB.

Notes relating to results

# Investments

## 3.1 Maximise the returns from investments within reasonable risk parameters



Measure Owner: Samantha Andrews      Data lead: Samantha Andrews

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
3.1.1.	EPF's annual return compared to its LGPS peer group is above median	2.95%	% 2dp	31 Mar 2021			% EPF return exceeds median %	0.10%	-1.00%	N/A	Annual (approx June)	This is an annual measure. As at 31 March 2021 the Fund was ranked 2nd with 2.95% against a median of 6.7%. This will be updated approximately in June 2022.
3.1.2.	Three year (annualised) return compared to actuarial assumption in Funding Strategy Statement	10.38%	% 2dp	30 Jun 2021			Asset return % exceeds 4.5%	4.50%	3.00%	High	Scorecard period	As at 31 March 2021 this measure was 10.24%
3.1.3.	Five year (annualised) return compared to actuarial assumption in Funding Strategy Statement	11.92%	% 2dp	30 Jun 2021			Asset return % exceeds 4.5%	4.50%	3.00%	High	Scorecard period	As at 31 March 2021 this measure was 11.59%
3.1.4.	Ten year (annualised) return compared to actuarial assumption in Funding Strategy Statement	10.26%	% 2dp	30 Jun 2021			Asset return % exceeds 4.5%	4.50%	3.00%	High	Scorecard period	As at 31 March 2021 this measure was 9.79%
3.1.5.	Investment Strategy one year funding level at risk for Essex Pension Fund	24.5%	% 1dp	30 Sep 2020			% EPF return	25.0%	27.0%	Low	Annual (approx September)	This is an annual measure as at 30 September 2020

Notes relating to results

# Investments

3.2 Ensure the Fund’s investments are properly managed before, during and after pooling is implemented



Measure Owner: Samantha Andrews      Data lead: Samantha Andrews

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
3.2.1.	Timely response to changes in legislation, meeting legal timescales	Yes	Yes / No	30 Jun 2021			Before legal deadlines	Yes	N/A	N/A	Scorecard period	The Investment Team actively ensure all legal timescales are met in response to any legislation changes.
3.2.2.	Monthly investment reconciliations completed on time	33%	% Odp	30 Jun 2021			Within an 8 week period	25%	20%	High	Scorecard period	Prior quarter was 100% in line with the 4th Quarter target.

Notes relating to results

# Investments

## 3.3 Ensure investment issues are communicated appropriately to the Fund’s stakeholders



Measure Owner: Samantha Andrews      Data lead: Samantha Andrews

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
3.3.1.	Timely issue of communications / Investment Strategy Statement	Yes	Yes / No	31 Dec 2020			Within 14 days	Yes	N/A	N/A	Scorecard period	The ISC approved the ISS on 21 October 2020 and it was published on 22 October 2020.

Notes relating to results

# Administration

## 4.1 - Deliver a high quality, friendly and informative service to all beneficiaries and employers at the point of need



Measure Owner: Chris Pickford Data lead: Chris Pickford

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
4.1.1.	Meeting Fund's agreed timescales - Annual Benefit Statements issued to active members of LGPS (Career Average) by 31 August each year	100%	% Odp	30 Sep 2020			% achieved	100%	99%	High	Annual (31st August)	100% in 2018/19. This is an annual measure and will not be updated until August 2021.
4.1.2.	Meeting Fund's agreed timescales - Annual Benefit Statement issued to deferred members by 30 June each year	100%	% Odp	30 Sep 2020			% achieved	95%	85%	High	Annual (30th June)	100% in 2018/19. This is an annual measure and will not be updated until August 2021.
4.1.3.	Meeting Fund's agreed timescales - Letter detailing transfer in quote issued within 10 working days	90%	% Odp	30 Sep 2020			% achieved	95%	85%	High	Annual	This has increased from 89% in 2018/19 to 90% in 2019/20. This is an annual measure and will not be updated until August 2021. The Fund achieved above the CIPFA Average of 89% 441 cases in 2019/20 151 cases in 2018/19 392 cases in 2017/18
4.1.4.	Meeting Fund's agreed timescales -Letter detailing transfer out quote issued within 10 working days	95%	% Odp	30 Sep 2020			% achieved	95%	85%	High	Annual	This has increased from 89% in 2018/19 to 95% in 2019/20. This is an annual measure and will not be updated until August 2021. The Fund achieved above the CIPFA Average of 89% 900 cases in 2019/20 899 cases in 2018/19 820 cases in 2017/18
4.1.5.	Meeting Fund's agreed timescales - Process and pay a refund with 10 working days	93%	% Odp	30 Sep 2020			% achieved	95%	85%	High	Annual	This has decreased from 96% in 2018/29 to 93% in 2019/20. This is an annual measure and will not be updated until August 2021. The Fund achieved above the CIPFA Average of 88% 2,443 cases in 2019/20 1,976 cases in 2018/19 963 cases in 2017/18
4.1.6.	Meeting Fund's agreed timescales - Letter notifying estimated retirement benefits within 15 working days	98%	% Odp	30 Sep 2020			% achieved	95%	85%	High	Annual	98% in 2018/19. This is an annual measure and will not be updated until August 2021. The Fund achieved above the CIPFA Average of 86% 6,114 cases in 2019/20 2,412 cases in 2018/19 8,143 cases in 2017/18
4.1.7.	Meeting Fund's agreed timescales - Letter notifying actual retirement benefits within 15 working days	99%	% Odp	30 Sep 2020			% achieved	95%	85%	High	Annual	99% in 2018/19. This is an annual measure and will not be updated until August 2021. The Fund achieved above the CIPFA Average of 93% 3,337 cases in 2019/20 2,972 cases in 2018/19 2,780 cases in 2017/18

<b>4.1.8.</b> Meeting Fund's agreed timescales - Process and pay lump sum retirement grant within 15 working days	99%	% 0dp	30 Sep 2020			% achieved	95%	85%	High	Annual	2018/19 performance information is not available. This is an annual measure and will not be updated until August 2021. The Fund achieved above the CIPFA Average of 81% 1,090 cases in 2019/20
<b>4.1.9.</b> Meeting Fund's agreed timescales - Process and pay lump sum deferred into pay retirement grant within 15 working days	98%	% 0dp	30 Sep 2020			% achieved	95%	85%	High	Annual	2018/19 performance information is not available. This is an annual measure and will not be updated until August 2021. The Fund achieved above the CIPFA Average of 96% 1,839 cases in 2019/20
<b>4.1.10.</b> Meeting Fund's agreed timescales - Letter acknowledging death of active / deferred / pensioner member within 5 working days	100%	% 0dp	30 Sep 2020			% achieved	95%	85%	High	Annual	100% in 2018/19. This is an annual measure and will not be updated until August 2021. The Fund achieved above the CIPFA Average of 86% 1,133 cases in 2019/20 1,264 cases in 2018/19 1,334 cases in 2017/18
<b>4.1.11.</b> Meeting Fund's agreed timescales - Letter notifying the amount of dependent's benefits within 10 working days	98%	% 0dp	30 Sep 2020			% achieved	95%	85%	High	Annual	98% in 2018/19. This is an annual measure and will not be updated until August 2021. The Fund achieved above the CIPFA Average of 87% 1,133 cases in 2019/20 1,264 cases in 2018/19 1,334 cases in 2017/18
<b>4.1.12.</b> Meeting Fund's agreed timescales - Calculate and notify deferred benefits within 30 working days	79%	% 0dp	30 Sep 2020			% achieved	95%	85%	High	Annual	This has decreased from 90% in 2018/19 to 78% in 2019/20 due to the increase of retrospective notifications. This is an annual measure and will not be updated until August 2021. The Fund were below the CIPFA Average of 82% 3,090 cases in 2019/20 6,581 cases in 2018/19 2,111 cases in 2017/18
<b>4.1.13.</b> Meeting Fund's agreed timescales - Letter detailing divorce quote cash equivalent value and other benefits within 45 working days	97%	% 0dp	30 Sep 2020			% achieved	95%	85%	High	Annual	2018/19 performance information is not available. This is an annual measure and will not be updated until August 2021. The Fund achieved above the CIPFA Average of 95% 454 cases in 2019/20
<b>4.1.14.</b> Meeting Fund's agreed timescales – Once Fund is in receipt of all required data, letter detailing implementation of divorce settlement cash equivalent value and application of pension sharing order within 15 working days	92%	% 0dp	30 Sep 2020			% achieved	95%	85%	High	Annual	2018/19 performance information is not available. This is an annual measure and will not be updated until August 2021. The Fund achieved above the CIPFA Average of 76% 13 cases in 2019/20
<b>4.1.15.</b> Meeting Fund's agreed timescales - Send notification of joining the LGPS to scheme member within 40 days	99%	% 0dp	30 Sep 2020			% achieved	95%	85%	High	Annual	2018/19 performance information is not available. This is an annual measure and will not be updated until August 2021. The Fund achieved above the CIPFA Average of 91% 12,140 cases in 2019/20

#### Notes relating to results



# Administration

4.2 - Ensure contribution income is collected from, the right people at the right time in the right amount



Measure Owner: Chris Pickford   Data lead: Chris Pickford

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
4.2.1.	% of contributing employers submitting timely payments	97.9%	% 1dp	30 Jun 2021			% achieved	1	0.97	High	Scorecard period	Previous score reported to 07 July 2021 PSB was 98.6%
4.2.2.	% of employers submitting employer contribution amounts in accordance with rates and adjustments certificate	99.9%	% 1dp	30 Jun 2021			% achieved	1	0.97	High	Scorecard period	Previous score reported to 07 July 2021 PSB was 99.9%

Notes relating to results

# Administration

## 4.3 - Ensure benefits are paid to the right people at the right time in the right amount



Measure Owner: Chris Pickford Data lead: Chris Pickford

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
4.3.1.	Number of matches against NFI data which resulted in 'genuine fraud'	0	# 0dp	30 Jun 2021			Number	0	N/A	Low	Scorecard period	0 was reported to the PSB at their 07 July 2021 meeting.
4.3.2.	Meeting Fund's agreed measure for the common data score (in line with what is provided to TPR annually)	95%	% 0dp	31 Dec 2020			% score	95%	90%	High	Annual (Approx Dec)	This is an annual measure and will not be updated until December 2021. This was previously reported as 95%.
4.3.3	Meeting legally required agreed timescales - Annual Benefit Statements issued to active members of LGPS (Career Average) by 31 August each year	100%	% 0dp	30 Sep 2020			% achieved	100%	99%	High	Annual (Approx Sept)	This is an annual measure and will not be updated until September 2021.
4.3.4	Meeting legally required agreed timescales - Annual Benefit Statement issued to deferred members by 31 August each year	100%	% 0dp	30 Sep 2020			% achieved	100%	99%	High	Annual (Approx Sept)	This is an annual measure and will not be updated until September 2021.

Notes relating to results

# Administration

4.4 - Ensure the Fund employers are aware of and understand their roles and responsibilities, and carry out their functions in line with legislation, guidance and the Fund’s agreed policies and procedures.



Measure Owner: Chris Pickford   Data lead: Chris Pickford

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
4.4.1.	% of annual returns (year-end) submitted on time by employers	97%	% Odp	30 Sep 2020			% achieved	90%	85%	High	Annual (Approx Sept)	This is an annual measure and will not be updated until September 2021.
4.4.2.	% of annual returns (year-end) which passed validation first time	94%	% Odp	30 Sep 2020			% achieved	90%	85%	High	Annual (Approx Sept)	This is an annual measure and will not be updated until September 2021.

Notes relating to results

# Communications

5.1 - Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally



Measure Owner: David Tucker      Data lead: David Tucker

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
5.1.1	PSB have oversight of the requirements within the Communications Policy which is reviewed at least every three years or before if required	Yes	Yes / No	31 Mar 2020			Complete and Reviewed	Yes	N/A	N/A	Triennial	The Communications Policy was last reviewed during 2019/20 and approved by the PSB at their 04 March 2020 meeting.
5.1.2	The Fund has processes and communication channels in place to enable all stakeholders to provide feedback on the quality of its service as identified within the Communications Policy	Yes	Yes / No	30 Jun 2021			Processes in place	Yes	N/A	N/A	Scorecard Period	All letters/emails sent out include our contact details; the EPF website includes details of how to contact us; and EPF actively seek feedback from stakeholders.
5.1.3	% responses relating to the friendliness and expertise of staff within all Member surveys	98%	% Odp	30 Jun 2021			% achieved	90%	85%	High	Scorecard Period	Two surveys were carried out during the 1st Quarter, the Retirements Survey and the Virtual Pension Surgery which relate to this measure with 46 out of 47 responses stating yes to “Did our staff display expertise and communicate with you in a friendly way”.

Notes relating to results

# Communications

## 5.2 - Ensure our communications are useful and easy to follow



Measure Owner: David Tucker      Data lead: David Tucker

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
5.2.1	The Fund adhere to the principles of 'Crystal Mark' (Plain English Campaign)	Yes	Yes / No	30 Jun 2021			Adherence	Yes	N/A	N/A	Scorecard Period	In line with the Fund's Communications Policy, Comms are reviewed periodically which includes a check against the 'Crystal Mark'.
5.2.2	% positive responses to usefulness and easy to follow within all Member surveys	90%	% Odp	30 Jun 2021			% achieved	90%	85%	High	Scorecard Period	The Retirement Survey issued during the 1st Quarter relates to this measure with 18 out of 20 responses stating yes to "Was the information useful and easy to follow".
5.2.3	% of Board/Committee Members positive responses to the usefulness and easy to follow reports and presentations at their meetings to enable decisions to be made	94%	% Odp	31 Mar 2021			% achieved	90%	85%	High	Scorecard Period	This data was collated from the Board/Committee Member feedback forms issued in February 2021. One Member of the PSB/ISC stated that the Fund's Reports were always useful but not always easy to follow.

Notes relating to results

# Communications

5.3 - Deliver information in a way that suits all types of stakeholders including providing more accessibility through greater use of technology



Measure Owner: David Tucker      Data lead: Chris Pickford

Ref	Measure	Value	Units	Last updated	Previous status	Current status	Criteria	Target	Amber Level	Polarity	Frequency	Commentary
5.3.1	Fund invites all new Members to register for Member Online	Yes	Yes / No	30 Jun 2021			All invited	Yes	N/A	N/A	Scorecard Period	All new joiners have been invited to register for Member Online.
5.3.2	The number of Members registered for Member Online increases each quarter	Yes	Yes / No	30 Jun 2021			Increase	Yes	N/A	N/A	Scorecard Period	The usage of Member Online has increased by 3,000 Members during 01 April and 30 June 2021.

Notes relating to results

Total no. of Members invited to register for Member Online up to 30 June 2021 = 78,000 which represents 58% of Fund Membership. 25,000 Members are utilising Member Online which is a take up rate of 32%.

Total no. of Employers registered and utilising Member Online up to 30 June 2021 = 314.

# Essex Pension Fund

## Section D

# 2021/22 Risk Management Update

31 August 2021



# Current Status

## Essex Pension Fund

Probability	Almost Certain (4)		0 (1)	1 (1)	
	Likely (3)		5 (4)	3 (4)	
	Possible (2)		4 (4)	8 (7)	2 (2)
	Unlikely (1)		5 (5)	10 (10)	8 (8)
		Minor (1)	Moderate (2)	Major (3)	Critical (4)
		Impact			

(No. in brackets represents the previous scores reported to the 07 July PSB)



# Assessments

## BAU

Risk	Reported at 07 July PSB	As at 31 August 2021
G9. Failure to undertake business as usual service due to events outside of Essex Pension Fund (EPF) control resulting in loss of service provision	8 (Amber) Reviewed due to the lockdown restrictions and reinstatement of two-weekly Business Continuity Meetings	6 (Yellow) Reduced back to target score due to EPF being able to carry out BAU throughout Covid-19 Pandemic with the likelihood reduced by the lift of restrictions
A1. Failure to administer scheme correctly in line with all relevant Regulations and policies owing to circumstances such as, but not limited to: - lack of regulatory clarity; - system issues; - insufficient resources.	9 (Amber) Reviewed due to the increase in the Covid-19 death rate	6 (Yellow) Likelihood reduced bringing the score back to target as a result of the amount of deaths now stabilising
A3. Failure to pay people at right time in right amount	6 (Yellow) Pending BACS Cloud Procurement update	6 (Yellow) Pending BACS Cloud Procurement update. In addition, ECC are in the process of changing the General Ledger system (TCS) to a new system in the coming months.

Essex Pension Fund

Risk No.	Objective at Risk	Risk Event, to include: - the area of uncertainty in terms of the threat - cause / trigger - the event or situation that gives rise to the risk - impact – the effect or impact the risk would have if it occurs	Review period	Current Mitigating Actions / Controls	Current Assessment of Risk			Risk Owner	Mitigation Approach	Target Score
					Current				Treat Tolerate Transfer Terminate	Risk Rating
					Likelihood	Impact	Risk Rating			
G1	Act with integrity and be accountable to our stakeholders	JCAD Ref: EPFU0030 High turnover in Board/Committee Members and/or Essex Pension Fund (EPF) staff, there is a risk of failure of governance arrangements to match up to statutory requirements and recommended best practice, leading to ineffective working relationships, financial loss and reputational damage	Quarterly	1. Essex Pension Fund Strategy Board (PSB) is in place (Essex County Council's (ECC's) s101 Committee). 2. Essex Pension Fund Investment Steering Committee (ISC) is in place (ECC's s101 Sub-Committee). 3. Essex Pension Fund Advisory Board (PAB) is in place (is the local Pension Board as required under Public Service Pensions Act (PSPA) 2013). 4. Essex Pension Fund (EPF) routinely monitor the Business Plan, Risk Register and Scorecard. All of which are reported to the PSB at each meeting. 5. EPF work with the Independent Governance & Administration Adviser (IGAA) to seek guidance on work practices. 6. EPF monitor and use Governance networks for best practice, e.g. Local Government Association (LGA). 7. Knowledge and Skills Strategy and Training Plans are in place for Members. Individual Training Plans are in place for staff. 8. Advice taken from Advisers.	1	4	4	Amanda Crawford - Compliance Manager	Treat	4
G2	Provide a high quality service whilst maintaining value for money	JCAD Ref: EPFU0031 Failure to disclose material facts, or the disclosure of incorrect or incomplete information in the Report and Accounts or during the audit, leads to incorrect or incomplete information published in the Report and Accounts, leading to reputational damage and financial loss	Quarterly	1. External audit programme of works. 2. Internal audit programme of works. 3. External audit provides a comment in regard to consistency when reviewing the Annual Report and Accounts. 4. Essex Pension Fund (EPF) follows the Chartered Institute of Public Finance & Accountancy (CIPFA) guidance and Code of Practice for the Annual Report and Accounts content.	2	2	4	Samantha Andrews - Investment Manager	Treat	4
G3	Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise	JCAD Ref: EPFU0007 Due to a lack of expertise, insufficient knowledge and maintenance of the Essex Pension Fund Strategy Board (PSB), Essex Pension Fund Investment Steering Committee (ISC) and Essex Pension Fund Advisory Board (PAB) arising out of high turnover and/or changes within the Local Government Pension Scheme (LGPS) benefit structure, regulations and associated directives/deliverables increase the risk of a poor decision and policymaking resulting in unprofitable investments and funding	Quarterly	1. Training Plan is in place. 2. PSB/ISC/PAB Members have to complete specific Chartered Institute of Public Finance & Accountancy (CIPFA) modules on a two-year cycle. 3. Induction training for new Members within 3 months of appointment. 4. Training plans are reviewed/adapted to reflect changes within LGPS. 5. Essex Pension Fund (EPF) use Advisers, e.g. Independent Governance & Administration Adviser (IGAA), to provide relevant information and recommendations. 6. Progress made against the training plans is recorded and monitored. 7. Mechanisms are in place to recruit vacancies as they arise.	2	2	4	Amanda Crawford - Compliance Manager	Treat	4
G4	Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise	JCAD Ref: EPFU0032 There is a risk that the failure of Officers to maintain sufficient levels of competence and/or resource to discharge their duties could lead to retention of inefficient staff, therefore, relying on key officers impacting on the wellbeing of staff and a reduced work rate for the Fund	Quarterly	1. Essex Pension Fund (EPF) training plans are being implemented through performance plans. 2. EPF staff attend training events, engage with peer groups, and work towards the Chartered Institute of Public Finance & Accountancy (CIPFA) Knowledge and Skills Framework. 3. EPF staff training is recorded and monitored. 4. Teams ensure Standing Operating Procedures (SOPs) are produced to cover key processes. 5. In the absence of key officers, EPF utilises external consultants and independent Advisers to help in the short term.	1	3	3	Jody Evans - Director for Essex Pension Fund	Treat	3
G5	Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise	JCAD Ref: EPFU0033 Failure to take advice in accordance with statutory requirements over the appointment and terms of appointment of all 3rd party suppliers increases the risk of incorrect procedures leading to reputational damage and financial loss	Quarterly	1. Formal procurement procedures are being used for all 3rd party suppliers. 2. Essex Pension Fund (EPF) ensure these arrangements are kept under review. 3. Review all contracts at least annually to ensure they have end dates; review points; and a check of their planned end date.	1	4	4	Amanda Crawford - Compliance Manager	Treat	4
G6	Evolve and look for new opportunities, ensuring efficiency at all times	JCAD Ref: EPFU0008 As a result of not allowing enough time to focus and research opportunities, we run the risk of continuing with old practices resulting in over expenditure	Quarterly	1. Management Team regularly attend appropriate conferences/events/forums. 2. Advisers keep Essex Pension Fund (EPF) team up-to-date on opportunities.	3	2	6	Jody Evans - Director for Essex Pension Fund	Treat	6

# Essex Pension Fund

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					Current				Treat Tolerate Transfer Terminate	Risk Rating
					Likelihood	Impact	Risk Rating			
G7	Act with integrity and be accountable to our stakeholders	JCAD Ref: EPFU0034 Failure to recognise, disclose, monitor and prevent conflicts would lead to conflicts of interest resulting in ineffective governance processes, reputational damage and financial loss	Quarterly	1. Essex Pension Fund (EPF) ensure conflicts of interest are recorded and monitored. 2. Advice is provided to members to enable them to recognise potential conflicts. 3. Members adhere to Essex County Council's (ECC's) code of conduct. 4. Members adhere to EPF's Conflict of Interest Policy.	1	3	3	Amanda Crawford - Compliance Manager	Treat	3
G8	Act with integrity and be accountable to our stakeholders	JCAD Ref: EPFU0009 Due to insufficient knowledge, there could be a failure of effectively managing contracts for the supply of services to the Pension Fund, leading to reputational damage and financial loss	Quarterly	1. Essex Pension Fund (EPF) monitor all contracts via performance measures and contract fulfilment checks. 2. EPF liaise with Essex County Council (ECC) Contract Managers to ensure compliance with ECC policy and guidance, seeking support and guidance as and when required.	1	3	3	Amanda Crawford - Compliance Manager	Treat	3
G9	Understand and monitor risk and compliance	JCAD Ref: EPFU0010 Failure to undertake business as usual service due to events outside of Essex Pension Fund (EPF) control resulting in loss of service provision	Quarterly	1. EPF Business Continuity Plan (BCP) in place. 2. EPF BCP regularly tested, including call cascades and desk-top exercises. 3. Testing is recorded and monitored. 4. Essex County Council (ECC) also exercise their BCP, which includes EPF. 5. BCP Testing Schedule is in place with the relevant tests carried out periodically.	3	2	6	Amanda Crawford - Compliance Manager	Treat	6
G10	Understand and monitor risk and compliance	JCAD Ref: EPFU0011 A lack of time and resources could mean new risks are not identified and the risk register is not kept up to date, which could result in financial loss or damage to the Fund's reputation	Quarterly	1. Risk is part of Business As Usual (BAU) and is discussed at monthly Essex Pension Fund (EPF) Management Team (MT) meetings. 2. Director for EPF and MT formally review risks each quarter. 3. Risk movements and risks not at their target score are reported to the Essex Pension Fund Strategy Board (PSB) at each meeting. 4. All risks are reported to Essex County Council (ECC) via JCAD on a quarterly basis. 5. This is recorded and monitored. 6. EPF has developed a Risk Strategy approved by the PSB at their September 2020 meeting, which is regularly reviewed.	1	4	4	Amanda Crawford - Compliance Manager	Treat	4
G11	Continually measure and monitor success against our objectives	JCAD Ref: EPFU0012 As a result of inexperience and/or staff resource pressures, there is a risk of failing to monitor inadequate, inaccurate or misrepresented management information leading to financial loss or reputational damage	Quarterly	1. A risk register is in place. 2. A Scorecard is developed from Key Performance Indicators (KPI's) and Business Plan objectives. 3. Progress in their achievement is reported to the Essex Pension Fund Strategy Board (PSB) at each meeting. 4. This is recorded and monitored.	1	4	4	Amanda Crawford - Compliance Manager	Treat	4
G12	Ensure compliance with the Local Government Pension Scheme (LGPS) regulations, other relevant legislation and the Pensions Regulator's Codes of Practice	JCAD Ref: EPFU0035 Non-compliance with regulations caused by lack of knowledge by staff, changes in government policy / Local Government Pension Scheme (LGPS) reforms and systems not kept up-to-date, leading to reputational damage and financial loss	Quarterly	1. Essex Pension Fund (EPF) monitor the current and new regulations and correspondence from the Ministry of Housing, Communities and Local Government (MHCLG) and Local Government Association (LGA). 2. EPF ensure systems are monitored for accuracy and compliance. 3. The Systems are updated for any new regulatory requirement. 4. EPF keeps abreast of developments, participating in consultations and collaborating with other Funds. 5. EPF Officers participate in various scheme and industry groups, e.g. the Chartered Institute of Public Finance & Accounting (CIPFA). 6. EPF utilise the expertise of their Independent Administration & Governance Adviser (IGAA). 7. Essex Pension Fund Strategy Board (PSB) and Essex Pension Fund Investment Steering Committee (ISC) receive regular reports on scheme developments. 8. Regular review of Distribution Lists, e.g. LGA, to ensure correct Officers are receiving relevant information.	1	4	4	David Tucker - Technical Hub Manager	Treat	4

# Essex Pension Fund

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G13	Provide a high quality service whilst maintaining value for money	JCAD Ref: EPFU0036 Due to cybercrime activities impacting on integrity, there is a risk of inability to carry out day-to-day business functions, which would result in reputational damage and financial loss	Quarterly	1. Essex County Council (ECC) mitigations for Cyber Crime have been collated; however, they do not have Cyber Crime Insurance.  2. AON have a Member data and Cyber Security Policy and hold insurance that covers Cyber Crime.  3. CIVICA mitigations for Cyber Crime have been incorporated within their Business Continuity Response Plan and have a Cyber liability clause within their contract with Essex Pension Fund.  4. LINK has a Cyber Security Policy and place and hold appropriate Cyber Crime insurance.  5. Barnett Waddingham have a Cyber Security Policy in place and hold appropriate Cyber Crime insurance.  6. Hymans Robertson  7. Investment Managers: a) Partners Group have elements of cyber security coverage but do not have a standalone Cyber Security Policy in place or insurance; b) Stafford CP have a Cyber Security Policy in place and hold appropriate Cyber Crime insurance; c) Northern Trust has a Cyber Security Policy in place; however, it is unclear if they hold appropriate insurance. EPF will hasten to confirm; d) GSAM have a Cyber Security Policy in place and hold appropriate Cyber Crime insurance; e) M&G have a Cyber Security Policy in place; however, do not hold insurance; f) AVIVA have a Cyber Security Policy in place and hold appropriate Cyber Crime insurance; g) Hamilton Lane have a Cyber Security Policy in place and hold appropriate Cyber Crime insurance; h) Stewart Investors have a Cyber Security Policy in place and hold appropriate Cyber Crime insurance; i) Alcentra have a Cyber Security Policy in place and hold appropriate Cyber Crime Insurance; j) Marathon have a Cyber Security Policy in place and hold insurance that covers Cyber Crime; k) UBS have a Cyber Security Policy in place; however, it is unclear if they hold appropriate insurance. EPF will hasten to confirm.  8. Tracesmart mitigations have a Cyber Security Policy and hold insurance that covers Cyber Crime.  9. EPF liaise with all control owners at regular intervals to ensure controls remain in place.	1	4	4	Amanda Crawford - Compliance Manager	Treat	4



# Essex Pension Fund

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G14	Ensure compliance with the Local Government Pension Scheme (LGPS) regulations, other relevant legislation and the Pensions Regulator's Codes of Practice	JCAD Ref: EPFU0028 Changes in regulations can cause:  - Ministry of Housing, Communities and Local Government (MHCLG) Consultations and their outcomes from McCloud, Cost Cap, £95k Cap and Goodwin likely to significantly increase the workload impacting on the Fund, i.e., resources to deliver the required outputs;  - Academisation of Schools, the possibility of Multi-academy Trust (MAT) breakups and cross fund movements with potential for further schools to convert to academy status and MATs to breakdown leading to additional governance and administration risk;  - Current cost management review where a flawed process will result in better benefits for scheme members that will mean employers having to pay more than they otherwise would have;  - Superannuation Contributions Adjusted for Past Experience (SCAPE) rate changes that will significantly increase transfer values paid out (an increase of liabilities) and impact on the Funding Strategy via s13, which could mean unforeseen increases to employer contributions;  - Increased centralisation of the Local Government Pension Scheme (LGPS) and HM Treasury taking all the assets / structural change leading to insufficient funds to meet payments when they fall due;  - Guaranteed Minimum Pension (GMP) equalisation significantly increasing the workload resulting in potentially potential additional costs and/or administration;  - National Pensions Dashboard resulting in major changes to data provision impacting on resources to deliver required outputs;  - Separation of the Fund from the Administering Authority resulting in lack of Governance arrangements to support the Fund leading to financial loss and reputational damage;  - Government intervention in Fund asset allocation decisions meaning a lack of Governance arrangements leading to financial loss and reputational damage.	Quarterly	1. Regular communications with schools to understand their intentions.  2. Essex Pension Fund (EPF) and their Advisers are actively involved in the development of the LGPS.  3. EPF monitor the current and new regulations and correspondence from the Ministry of Housing, Communities and Local Government (MHCLG) and Local Government Association (LGA).  4. EPF keeps abreast of developments, participating in consultations and collaborating with other Funds.  5. EPF utilise the expertise of their Independent Administration & Governance Adviser (IGAA).  6. Additional Resources have been approved by the Head of Paid Service to enable the Fund to continue to meet its obligations.  7. A McCloud project team was set up in autumn 2019 to ensure requirements are being actioned and communicated with Employers. The Fund will continue to communicate with Employers, and updates on the latest developments will be provided throughout the year.  8. Essex County Council (ECC) Head of Paid Service has authorised further resources to assist with the pending changes and increase in workload. Positions are already starting to be filled.	4	3	12	Sara Maxey - Employer Manager	Treat	4
G15	Ensure compliance with the Local Government Pension Scheme (LGPS) regulations, other relevant legislation and the Pensions Regulator's Codes of Practice	JCAD Ref: EPFU0037 Fraud against the Fund or insufficient checks and controls results in benefits being paid to the incorrect person or paid when they are not due to an existing beneficiary, and/or loss of assets and/or reputational impact on Essex Pension Fund (EPF)	Quarterly	1. The Fund participates in the National Fraud Initiative (NFI) in line with Audit requirements using the Tell Us Once system, with Pensions paid via BACs as standard/extra verification undertaken for overseas and non-BACs cases.  2. Internal and External Audit regularly test that controls are in place and working.  3. Age and status verification checks are conducted prior to all benefits being released.  4. Authorised signature list- plus Essex County Council's (ECC's) version.  5. EPF undertake General Data Protection Regulation (GDPR) training with all staff and adhere to relevant ECC data protection policies.  6. Segregation of duties, e.g. two signatures are required for any payments directly out of the Fund (Fund Managers). Other payments are verified by one person raising, one person checking, and one person authorising.  7. Custodian asset pool - proper process for transfer of assets through LINK.	1	4	4	Holly Gipson and Samantha Andrews - Pensioner and Payroll Manager and Investment Manager	Treat	4
G16	Ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services is protected and preserved	JCAD Ref: EPFU0026 Failure to comply with General Data Protection Regulation (GDPR) and keep data secure means there is a risk of a data breach leading to reputational issues or legal/financial penalties		1. Essex Pension Fund (EPF) conduct a System backup to protect against data loss.  2. EPF ensure data encryption and password protection.  3. Continuous staff training on data protection / GDPR.  4. All information security breaches are reported and any systematic issues identified and corrected.  5. EPF ensure the use of a file transfer protocol.	2	4	8	Chris Pickford Systems Manager	Treat	8

# Essex Pension Fund

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I1	To maximise the returns from investments within reasonable risk parameters	JCAD Ref: EPFU0021 Failure to realise the maximum benefits from investments could mean a risk that the total Fund Investment return does not meet expectations which would result in underfunding	Quarterly	1. Essex Pension Fund (EPF) Investment Strategy is reviewed and monitored on a regular basis. 2. Monitoring of investment manager performance; market conditions. Performance of both assets and liabilities is monitored periodically.	3	3	9	Samantha Andrews - Investment Manager	Treat	9
I2	To maximise the returns from investments within reasonable risk parameters	JCAD Ref: EPFU0022 As a result of Investment Managers and/or ACCESS Operator underperforming or not having appropriate benchmarks would result in lower investment returns leading to underfunding	Quarterly	1. The performance of Investment Managers and/or ACCESS Operator is subject to regular review.	3	2	6	Samantha Andrews - Investment Manager	Treat	6
I3	To ensure the Fund's investments are properly managed before, during and after pooling is implemented	JCAD Ref: EPFU0038 Failure by Essex Pension Fund (EPF) or the ACCESS Operator to take advice in accordance with statutory requirements and best practice over appointing and the terms of appointment of investment managers would result in poor investment decisions being made, leading to reputational damage and financial loss	Quarterly	1. The Fund procures and utilises an Institutional Investment Consultant and an Independent Investment Adviser. 2. EPF ensure these arrangements are kept under review. 3. ACCESS Escalation Policy in place. 4. Appointed Contract Manager within the ACCESS Support Unit (ASU).	1	3	3	Samantha Andrews - Investment Manager	Treat	3
I4	To ensure the Fund's investments are properly managed before, during and after pooling is implemented	JCAD Ref: EPFU0023 Due to delays in the implementation of decisions and the availability of suitable solutions within the Pool, there is a risk of reduction in the effectiveness of the decision, which would result in loss of potential return	Quarterly	1. Essex Pension Fund (EPF) works proactively with Investment Advisers, ACCESS Pool and Investment Managers to scope, propose and implement viable revisions to the Investment Strategy.	3	2	6	Samantha Andrews - Investment Manager	Treat	6
I5	To ensure the Fund's investments are properly managed before, during and after pooling is implemented	JCAD Ref: EPFU0024 Ineffective monitoring of 3rd party service providers could lead to their failure to maintain their obligations in respect of investments which could result in potential loss of return or liquidity or ability to access or control investment	Quarterly	1. AAF0106 Annual Control Reviews are carried out. 2. Within the Pool environment the Depository has liability for safekeeping of Pool investments. 3. ACCESS Support Unit (ASU) Contract Manager ensures adherence to the Operator Agreement by the 11 ACCESS Funds and LINK. 4. Formal procurement procedures are being used for all 3rd party suppliers. 5. Essex Pension Fund (EPF) ensure these arrangements are kept under review. 6. Fund's assets are not included on Custodian's Balance Sheet. Separate Designated Accounted for each mandate.	3	2	6	Samantha Andrews - Investment Manager and Amanda Crawford - Compliance Manager	Treat	6
I6	Ensure investment issues are communicated appropriately to the Fund's stakeholders	JCAD Ref: EPFU0039 Failure in communication methods used to consult on Investment Matters with stakeholders may result in a lack of understanding and potentially poor decision making	Quarterly	1. Investment Strategy Statement (ISS) is subject to stakeholder consultation. 2. Essex Pension Fund Strategy Board (PSB) / Essex Pension Fund Investment Steering Committee (ISC) Members are appropriately trained prior to key decisions being made. 3. Engagement with Employers at triennial valuation. 4. Investment Matters communicated with Employers and Members, e.g. ISS consultation link provided on Annual Benefit Statements.	1	2	2	Samantha Andrews - Investment Manager	Treat	2
I7	To ensure the Fund's investments are properly managed before, during and after pooling is implemented	JCAD Ref: EPFU0040 Due to the implementation of Markets in Financial Instruments Directive (MiFID) II (January 2018) leads to the Fund being categorised by some / all of its service providers as a 'retail client' - the result of which could reduce the range of sub-asset classes in which the Fund is able to invest; and may even require disinvestment from the current portfolio	Quarterly	1. The Fund has arrangements to ensure that relevant MiFID II "opt ups" to Elective Professional status for all asset mandates is kept under review. 2. Member attendance and participation at Investment Conferences / Seminars including but not limited to: Local Government Chronicle (LGC) Investment Seminar; ACCESS Investor Day(s); LGC Investments & Pensions Summit; and Baillie Gifford Investment & Training seminar.	1	4	4	Samantha Andrews - Investment Manager	Treat	4

Essex Pension Fund

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18	To maximise the returns from investments within reasonable risk parameters	JCAD Ref: EPFU0041 Due to insufficient knowledge and/or resources could lead to a lack of consideration of all financial and non-financial risks relating to Environmental, Social and Governance (ESG) / Responsible Investment (RI) issues resulting in poor investment returns, increased employer contribution rates and reputational damage	Quarterly	1. Use of expert consultants in the selection of Investment Strategy and Investment Managers. 2. Regular monitoring of Investment Managers including an ESG rating within the Quarterly Traffic Light Ratings Report reported to the Investment Steering Committee 3. Regular reviews of Investment Strategy. 4. Compliance with Stewardship Code. 5. Membership of Local Authority Pension Fund Forum (LAPFF) agreed at Essex Pension Fund Investment Steering Committee (ISC) meeting on 27/11/2019. 6. EPF have a Responsible Investment (RI) Policy in place, which is kept under regular review. 7. A Responsible Investment (RI) Project Plan has been established to:  - develop an Investment Managers' Engagement Plan;  - comply with Task Force for Climate-Related Financial Disclosures (TCFD) requirements;  - become a signatory to the Financial Reporting Council (FRC) UK Stewardship Code 2020 by April 2022;  - develop an Essex Pension Fund (EPF) Climate Change Policy; and  - ensure Essex Pension Fund (EPF) align with Essex County Council (ECC) Essex Climate Action Commission without ECC dictating where the Fund should invest.	1	3	3	Samantha Andrews - Investment Manager	Treat	3



# Essex Pension Fund

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F1	To prudently set levels of employer contributions that aim to achieve a fully funded position in the timescales determined in the Funding Strategy Statement	JCAD Ref: EPFU0013 Due to a Failure to set and collect contributions, there is a risk of there not be sufficient to achieve a fully funded ongoing position in the timescales determined by the Funding Strategy Statement, which could cause financial loss or reputational damage	Quarterly	1. At each triennial valuation, assess funding position and progress made to full funding.  2. Full annual interim reviews to enable consideration of the position.  3. A specific Scorecard measure is in place on this matter to monitor the % of contributing employers submitting timely payments.  4. Fund Officers have introduced monthly returns in addition to annual returns from Employers to improve accuracy and timeliness of the information.  5. Work with Employers to ensure they understand their responsibilities.  6. Monthly and year-end reconciliations of Member data.	2	3	6	Sara Maxey - Employer Manager	Treat	6
F2	To prudently set levels of employer contributions that aim to achieve a fully funded position in the timescales determined in the Funding Strategy Statement	JCAD Ref: EPFU0014 Due to continually improving Mortality rates, there is a risk they will exceed the allowances built into the evidence-based actuarial assumptions, resulting in increased liabilities, reduced solvency levels and increased employer contributions	Quarterly	1. Longevity analysis is conducted by the Actuary at each valuation.	2	3	6	Sara Maxey - Employer Manager	Treat	6
F3	To prudently set levels of employer contributions that aim to achieve a fully funded position in the timescales determined in the Funding Strategy Statement	JCAD Ref: EPFU0042 Failure to monitor the demographic experience of Fund's population is not in line with actuarial assumptions as in the Funding Strategy Statement and could result in increases required in Employer contributions which could cause complaints and damage to reputation	Quarterly	1. Essex Pension Fund (EPF) ensures Employers pay the rates set at each valuation.  2. The Actuary provides a prudent assessment to allow for ill-health cases within the calculations.  3. Employer Ill Health and Death in Service Policy is in place and contained within the Funding Strategy Statement (FSS), which is kept under regular review.  4. Any change in demographics are reviewed at subsequent valuations, and any underfunding will be addressed.	1	3	3	Sara Maxey - Employer Manager	Treat	3
F4	To recognise in drawing up the funding strategy the desirability of employer contribution rates that are as stable as possible	JCAD Ref: EPFU0015 Due to failure to apply and demonstrate fairness in the differentiated treatment of different fund employers by reference to their own circumstances and covenant could lead to underpayments and, therefore, financial loss and under-investment	Quarterly	1. At each Triennial Actuarial Valuation, Essex Pension Fund (EPF) analyse the outcome to assess covenant and affordability on a proportional basis. 2. A risk analysis is conducted at each triennial valuation by the Funds Actuary.  3. Ongoing monitoring of contributions to identify significant change and continuous dialogue with employers.	2	3	6	Sara Maxey - Employer Manager	Treat	6
F5	To recognise in drawing up the funding strategy the desirability of employer contribution rates that are as stable as possible	JCAD Ref: EPFU0016 Due to the nature of actuarial assumptions, there is a risk that pay and price inflation are significantly different, which would result in increases due from to employers' contributions	Quarterly	1. Essex Pension Fund (EPF) carries out an analysis at each triennial actuarial valuation to ensure that the assumptions adopted are appropriate and monitor actual experience.  2. Discussions with employers over affordability and pay policy are held.  3. Employer Flexibilities Policies have been developed and are in place, and are kept under regular review.  4. Discretions Policy to control discretionary costs.	2	3	6	Sara Maxey - Employer Manager	Treat	6
F6	To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption, where necessary, of employer specific funding objectives	JCAD Ref: EPFU0017 Due to failure to:  - recognise a weakening (strengthening) in an employer's covenant; - lack of, or inaccurate, information about an employer;  leads to an inappropriate funding approach in respect of that employer resulting in underpayments and, therefore, financial loss and underinvestment	Quarterly	1. Essex Pension Fund (EPF) monitors and send reminders of the Employer's responsibilities.  2. EPF carries out an analysis at each triennial actuarial valuation to assess covenant and affordability on a proportional basis. 3. A risk analysis is conducted at each triennial valuation.  4. Use of bonds and guarantees.  5. Ongoing monitoring of contributions to identify significant change and continuous dialogue with employers.	3	3	9	Sara Maxey - Employer Manager	Treat	9
F7	To ensure consistency between the investment strategy and funding strategy	JCAD Ref: EPFU0018 There is a risk that failure to monitor and align the Funding strategy with the Investment strategy could lead to over or underfunding, resulting in reputational damage or financial loss	Quarterly	1. The Asset Liability Study is undertaken on a triennial basis.  2. The Funding Strategy and Investment Strategy are reviewed and monitored on a regular basis. 3. The Funding Strategy is aligned with the Investment Strategy.	2	3	6	Sara Maxey - Employer Manager	Treat	6



# Essex Pension Fund

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F8	Maintain liquidity in order to ensure benefits can be met as and when they fall due over the lifetime of the Fund	JCAD Ref: EPFU0043  Due to ineffective monitoring of the Fund's cashflow, resulting in the failure to set aside sufficient funds each month to pay pensioners, which could lead to extreme hardship for pensioners and reputational damage to the Fund	Quarterly	1. Essex Pension Fund (EPF) ensures sufficient investment income is available to supplement contribution income to meet benefit payments. 2. This is reported to the Essex Pension Fund Strategy Board (PSB).  3. A specific Scorecard measure to ensure sufficient investment income is available to supplement contribution income to meet benefit payments is in place on this matter.  4. Limit on illiquid assets and levels of diversification from equities and bonds.  5. Projection of expected cash flows and daily monitoring of cash.	1	3	3	Sara Maxey - Employer Manager	Treat	3
F9	Adopt appropriate measures and approaches to reduce the risk, as far as possible, to the Fund, other employers and ultimately the tax payer from an employer defaulting on its pension obligations to minimise unrecoverable debt on termination of employer participation	JCAD Ref: EPFU0019  Due to an employer ceasing to exist with insufficient funds, adequate bonds or guarantees could result in unrecoverable debt and therefore placing the residual liability to fall on the remaining employers leading to reputational damage and financial hardship on Fund Employers	Quarterly	1. New employers joining the Fund are required to meet the Funds expectations, covenant, security and guarantee as set out in the Funding Strategy.  2. Existing employers are required to meet the Funding Strategy and Actuarial Valuation obligations. 3. Monitoring of bonds and ongoing monitoring of Employer covenant.  4. Ensure cost management funding implications are communicated clearly and in a timely manner to employers to ensure they can budget for the changes.	3	3	9	Sara Maxey - Employer Manager	Treat	9
F10	To prudently set levels of employer contributions that aim to achieve a fully funded position in the timescales determined in the Funding Strategy Statement	JCAD Ref: EPFU0020  As a result of failing to adopt or implement a funding strategy, there is a risk that this results in the Fund failing any of the Government Actuary's Department (GAD) s13 tests or be named in the GAD s13 report would cause reputational damage	Quarterly	1. In consultation with the Actuary, Essex Pension Fund (EPF) determine an appropriate funding strategy that meets s13 requirements.	2	3	6	Sara Maxey - Employer Manager	Treat	6

# Essex Pension Fund

Risk No.	Objective at Risk	Risk Event, to include: - the area of uncertainty in terms of the threat - cause / trigger - the event or situation that gives rise to the risk - impact – the effect or impact the risk would have if it occurs	Review period	Current Mitigating Actions / Controls	Current Assessment of Risk			Risk Owner	Mitigation Approach	Target Score
					Current				Treat Tolerate Transfer Terminate	Risk Rating
					Likelihood	Impact	Risk Rating			
A1	Deliver a high quality friendly and informative service to all beneficiaries and employers at the point of need	JCAD Ref: EPFU0025 Due to failure to administer scheme correctly in line with all relevant Regulations and policies owing to circumstances such as, but not limited to: - lack of regulatory clarity; - system issues; - insufficient resources would result in reputational damage	Quarterly	1. Essex Pension Fund (EPF) ensure the System complies with the latest regulatory requirements through: - Technical Hub help to translate regulations and ensure new systems meet regulatory requirements; - Robust testing for system changes; - Linking to knowledge and information from the software supplier and other Local Government Pension Scheme (LGPS) clients using the same administration software.  2. EPF management monitor workload through reporting and align with the business plan to ensure sufficient resources. 3. EPF have clear business continuity plans including disaster recovery and management succession planning in place.	2	3	6	David Tucker and Chris Pickford - Technical Hub Manager and Systems Manager	Treat	6
A2	Deliver a high quality friendly and informative service to all beneficiaries and employers at the point of need	JCAD Ref: EPFU0044 Failure to monitor and curtail excessive administration costs leading to reduced Value for Money resulting in reputational damage and financial loss	Quarterly	1. Essex Pension Fund (EPF) benchmarks its costs against other Funds and regularly look for efficiency savings for VFM. 2. Costs are monitored and reviewed on a regular basis. 3. Budget and Monitoring processes are in place.	1	3	3	Samantha Andrews - Investment Manager	Treat	3
A3	Ensure benefits are paid to the right people at the right time in the right amount	JCAD Ref: EPFU0029 Failure to maintain proper records leading to inadequate data resulting in failure to pay the correct pensions to the right people at the right time	Quarterly	1. Data cleansing exercises take place at least annually or as and when required. Common and Scheme Specific data checks are carried out, and progress is reported within Data Improvement Plan. 2. Essex Pension Fund (EPF) ensure the System is tested regularly to ensure compliance with regulations. 3. Robust checking and validation of data takes place in calculations and receipt of information from employers. 4. EPF ensures staff are adequately trained by developing and implementing training plans along with encouraging staff to undertake professional qualifications. 5. Payroll is conducted earlier than required to allow issues to be rectified prior to payment. 6. Liaise with Essex County Council (ECC) Supplier and Service team to ensure ECC BACS system is secure, reliable and up-to-date with required software on an ongoing basis. There is reliance on ECC BACS software solution to ensure payroll is completed at 7. Fund Officers are aware of and are working with other ECC Officers in regard to the replacement of ECC's Corporate System 'TCS' (General Ledger system).	2	3	6	Holly Gipson and Daniel Chessell - Payroll Manager and Retirement Manager	Treat	3
A4	Ensure contribution income is collected from, the right people at the right time in the right amount	JCAD Ref: EPFU0045 Due to human error and/or system failure, there is a risk of failing to collect pension contributions in line with regulatory guidelines leading to loss of income to Essex Pension Fund (EPF)	Quarterly	1. All contributing Employers are provided with deadlines for payments and clear guidelines for providing associated information. 2. EPF monitors receipt of contributions to ensure compliance. 3. EPF follow the Administration Strategy in relation to late payments.	1	2	2	Sara Maxey - Employer Manager	Treat	2
A5	Deliver a high quality friendly and informative service to all beneficiaries and employers at the point of need	JCAD Ref: EPFU0046 Due to lack of training and/or experience, there is a risk of failing to deal with concerns, complaints and Internal Dispute Resolution Procedures (IDRPs) appropriately, resulting in poor customer satisfaction, further time spent resolving issues, potential compensation payments and reputational impact, particularly if escalated to the Pensions Ombudsman	Quarterly	1. A process is in place to ensure concerns and complaints are dealt with promptly. 2. Complaint levels and reasons are monitored, and process issues are identified and corrected. 3. Complaint levels, IDRPs are reported through the Scorecard and are reported at each Essex Pension Fund Strategy Board (PSB).	1	2	2	Kelly Armstrong - Contact and Customer Manager	Treat	2
A6	Deliver a high quality friendly and informative service to all beneficiaries and employers at the point of need	JCAD Ref: EPFU0027 Failure to implement and adopt Administration Strategy due to insufficient employer data would result in Fund not meeting statutory requirements and therefore causing reputational damage	Quarterly	1. Administration Strategy is in place which confirms responsibilities, details points of contact with reference to the website for further information, timescales etc. 2. Administration Strategy is reviewed on a regular basis in consultation with Employers where changes are made. 3. Essex Pension Fund (EPF) communicates to Employers regularly on all aspects of provision, which includes training sessions and guidance notes. 4. EPF conducts year-end data cleansing.	2	4	8	Sara Maxey - Employer Manager	Treat	8
A7	Ensure the Fund employers are aware of and understand their roles and responsibilities, and carry out their functions in line with legislation, guidance and the Fund's agreed policies and procedures	JCAD Ref: EPFU0047 Failure to administer the scheme correctly due to circumstances such as, but not limited to: - Poor employer data; - Unable to clearly articulate what is required from employers; and - Unable to clearly articulate what is required from the Fund itself in order to deliver the Fund's administrative functions could cause the fund reputational damage and financial loss	Quarterly	1. Administration Strategy is in place. 2. Administration Strategy is reviewed on a regular basis in consultation with Employers. 3. Essex Pension Fund (EPF) communicates to Employers regularly on all aspects of provision, which includes training sessions and guidance notes. 4. EPF ensure all staff adheres to the training requirements set for their posts through regular performance monitoring.	1	3	3	Jody Evans - Director for Essex Pension Fund	Treat	3

Essex Pension Fund

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					Current				Treat Tolerate Transfer Terminate	Risk Rating
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A8	Ensure the Fund employers are aware of and understand their roles and responsibilities, and carry out their functions in line with legislation, guidance and the Fund's agreed policies and procedures	JCAD Ref: EPFU0048 There is a risk of being unable to develop and maintain good working relationships between the fund and our employers due to, but not limited to: - Lack of resources at Essex Pension Fund (EPF) and employers; - Lack of engagement due to other priorities; - Major growth in employer numbers  leading to a lack of time to build relationships etc.	Quarterly	1. EPF maintain a Communication Plan which is reviewed and monitored on a regular basis. 2. Forums are held for Employers to keep them up-to-date with Fund information on an annual basis. 3. Workshops are carried out to ensure year-end requirements are communicated.	1	2	2	Sara Maxey - Employer Manager	Treat	2

# Essex Pension Fund

Risk No.	Objective at Risk	Risk Event, to include: - the area of uncertainty in terms of the threat - cause / trigger - the event or situation that gives rise to the risk - impact – the effect or impact the risk would have if it occurs	Review period	Current Mitigating Actions / Controls	Current Assessment of Risk			Risk Owner	Mitigation Approach	Target Score
					Current				Treat Tolerate Transfer Terminate	Risk Rating
					Likelihood	Impact	Risk Rating			
C1	Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally	JCAD Ref: EPFU0049 As a result of failing to implement and align all processes by following the Communication Policy leading to the Fund issuing incorrect or inaccurate communications resulting in a lack of understanding and/or complaints from stakeholders	Quarterly	1. Essex Pension Fund (EPF) ensure they align their practices to the Communication Policy to enable accurate communications. 2. Dedicated resource for communications.  3. Maintain and update EPF website. 4. Monitor feedback from stakeholders and ensure action is taken to address complaints. 5. Staff training is provided to EPF staff to ensure they are kept up-to-date with best practice. 6. Member and Employer online services are now in place, and uptake is reported to the Essex Pension Fund Strategy Board on a regular basis. 7. Fund Officers are in the process of developing a Stakeholder Strategy.	1	3	3	David Tucker - Technical Hub Manager	Treat	3
C2	Deliver information in a way that suits all types of stakeholders including providing more accessibility through greater use of technology	JCAD Ref: EPFU0050 As a result of failing to deliver information in an appropriate way for members or employers, e.g., too complex, not relevant or in an unsuitable format, could lead to misunderstanding and complaints resulting in reputational damage	Quarterly	1. Essex Pension Fund (EPF) ensure communications are suitable for all stakeholders and are clear and concise via continual review. 2. Surveys are undertaken to obtain feedback from Employers and Members on the suitability of our communications. 3. Dedicated and specialist resource for communications. 4. Maintain and update EPF website. 5. Forums are held for Employers to keep them up-to-date with Fund information as and when required.	1	2	2	David Tucker - Technical Hub Manager	Treat	2
C3	Ensure our communications are useful and easy to follow	JCAD Ref: EPFU0051 Due to communications not customised to specific needs and/or are overly complicated could result in a lack of understanding by all stakeholders, which would cause reputational damage	Quarterly	1. Surveys are undertaken to obtain feedback from Employers and Members on the suitability of our communications. 2. Any required changes are reflected in the Communications Policy. 3. Checks are made regularly to ensure Essex Pension Fund (EPF) complies with the Disclosure Regulation requirements.	2	2	4	David Tucker - Technical Hub Manager	Treat	4
C4	Aim for full appreciation of the pension scheme benefits and changes to the scheme by all scheme members, prospective scheme members and employers	JCAD Ref: EPFU0052 Failure to review and update Essex Pension Fund (EPF) Website could result in scheme members, prospective scheme members and employers being unaware of scheme changes which could cause a decline in new membership and/or members/employers exiting the scheme early	Quarterly	1. Regularly review and update Essex Pension Fund (EPF) Website to announce any scheme changes.	2	2	4	David Tucker - Technical Hub Manager	Treat	4