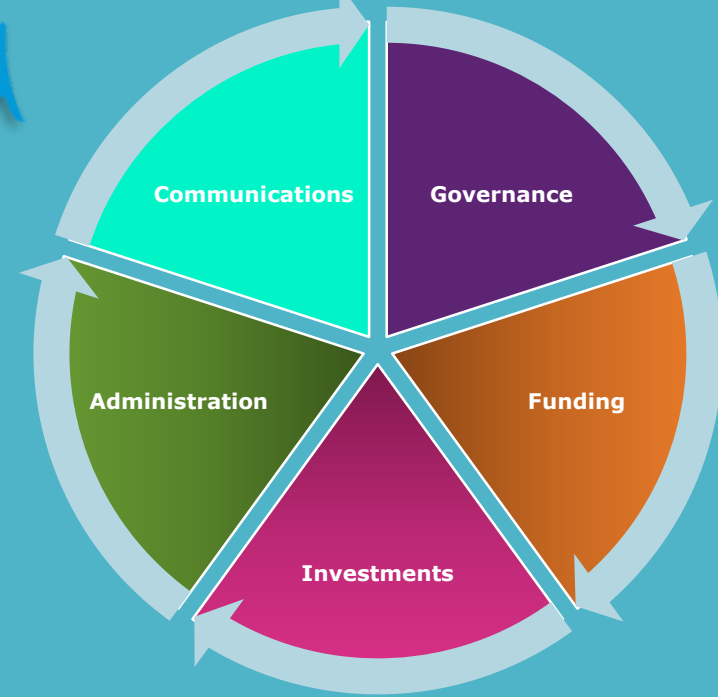


Essex Pension Fund



2023/24

Risk Register

As at 31 August 2023

Risk Strategy

The Risk Strategy for the Essex Pension Fund (the “**Fund**”), was approved by the Essex Pension Fund Strategy Board (PSB) at their 23 September 2020 meeting.

The Risk Strategy explains the Fund’s approach and outlines the principles of risk management. Good Governance is at the heart of the Fund’s approach to Risk Management and by identifying and managing risk through an effective risk management strategy, the Fund can:

- demonstrate best practice in governance;
- improve financial management;
- minimise the risk and effect of adverse conditions;
- identify and maximise opportunities that might arise; and
- minimise threats, including reputational damage.

The PSB review the Fund’s Risk Register by exception on a quarterly basis and then review the Full Risk Register on an annual basis which is detailed overleaf.

Risk No.	Risk Title	Risk Category	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 Control Owner	Current Assessment of Risk			Risk Owner	Mitigation Approach Treat Tolerate Transfer Terminate	Controlled Assessment of Risk			Controlled Assessment of Risk		
								Current					Target			Without Controls		
								Likelihood	Impact	Risk Rating			Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating
G1	Fund Governance	Compliance/Governance	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	<ol style="list-style-type: none"> Essex Pension Fund Strategy Board (PSB) is in place (Essex County Councils (ECC's) s101 Committee). Essex Pension Fund Investment Steering Committee (ISC) is in place (ECC's s101 Sub-Committee). Essex Pension Fund Advisory Board (PAB) is in place (is the Local Pension Board as required under Public Service Pensions Act (PSPA) 2013). Essex Pension Fund (EPF) routinely monitor the Business Plan, Risk Register and Scorecard. All of which are reported to the PSB at each meeting ensuring Governance Processes are being routinely monitored. EPF work with the Independent Governance & Administration Adviser (IGAA) to seek guidance on work practices. Advice also taken from other Advisers within the Fund (Investment / Fund Actuary). EPF monitor and use Governance networks for best practice, e.g. Local Government Association (LGA). Knowledge and Skills Strategy and Group/Individual Training Plans are in place for Members. Individual Development Plans are in place for staff including induction training. ECC and EPF e-learning, LGPS Online Learning Academy (LOLA) used by Members and Management Team. Attendance to Webinars/Seminars/Conferences by Members and Staff as identified within the Knowledge and Skills Strategy. 	<ol style="list-style-type: none"> Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance Jody Evans - Director for Essex Pension Fund 	2	4	8	Amanda Crawford - Head of Fund Compliance & Governance	Treat	1	4	4	2	4	8
G2	Disclosure of Information	Legal/Regulatory	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	<ol style="list-style-type: none"> External audit programme of works. Internal audit programme of works. External audit provides a comment in regard to consistency when reviewing the Annual Report and Accounts. EPF Officers within the Investment Team are provided with the relevant training to carry out the requirements of the completion of the Annual Report and Accounts including Financial background or equivalent qualifications. EPF Officers are made aware (through induction and other relevant training) of the tasks they undertake to fulfil their role and the output and impact this has on the production of the Annual Report and Accounts. 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. 	<ol style="list-style-type: none"> Samantha Andrews - Head of Fund Investments Samantha Andrews - Head of Fund Investments Samantha Andrews - Head of Fund Investments Samantha Andrews - Head of Fund Investments Jody Evans - Director for Essex Pension Fund Samantha Andrews - Head of Fund Investments 	3	3	9	Samantha Andrews - Head of Fund Investments	Treat	2	2	4	3	4	12
G3	Board/Committee Member Knowledge and Expertise	Human Resources	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 poor decision and policymaking resulting in unprofitable investments and funding	Quarterly	<ol style="list-style-type: none"> Knowledge and Skills Strategy for Board/Committee Members and Group/Individual Training Plans are in place and are reviewed periodically. PSB/ISC/PAB Members have to complete specific Chartered Institute of Public Finance & Accountancy (CIPFA) modules and The Pensions Regulator (TPR) within a one-year cycle which is included within the LGPS Online Learning Academy. Induction training for new Members within 3 months of appointment along with a Training Needs Analysis (TNA) carried out within 6 months of appointment enabling their Individual Training Plan to be developed. Training Plans are reviewed/adapted to reflect changes within LGPS. Essex Pension Fund (EPF) use Advisers, e.g. Independent Governance & Administration Adviser (IGAA), to provide relevant information and recommendations. Progress made against the training plans is recorded and monitored. Mechanisms are in place to recruit vacancies as they arise. Elections are monitored by the Compliance Team. Exploration exercise is being carried out with Advisers and Fund Officers to establish aspirations to enable succession planning. 	<ol style="list-style-type: none"> Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Jody Evans - Director for Essex Pension Fund Jody Evans - Director for Essex Pension Fund 	2	3	6	Amanda Crawford - Head of Fund Compliance & Governance	Treat	2	2	4	4	4	16
G4	Staff Knowledge and Expertise	Human Resources	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 insufficient staff, therefore, relying on key Officers impacting on the wellbeing of staff and a reduced work rate for the Fund	Quarterly	<ol style="list-style-type: none"> Essex Pension Fund (EPF) Development Plans are in place through My Performance on the My Learning Portal. EPF staff attend training events, engage with peer groups, and work towards the Chartered Institute of Public Finance & Accountancy (CIPFA) Knowledge and Skills Framework as part of the LGPS Online Learning Academy (LOLA). Training offered by LGA that is role specific is also encouraged. EPF staff training is recorded and monitored. Teams ensure Standing Operating Procedures (SOPs) are produced to cover key processes. EPF utilise external consultants and independent Advisers to help in the short term to assist. Exploration exercise to be carried out with Advisers and Fund Officers to establish aspirations to enable succession planning. 	<ol style="list-style-type: none"> David Tucker - Technical Hub Manager, Joel Elmer - Technical Analyst and Amanda Crawford - Head of Fund Compliance & Governance David Tucker - Technical Hub Manager, Joel Elmer - Technical Analyst and Amanda Crawford - Head of Fund Compliance & Governance David Tucker - Technical Hub Manager and Amanda Crawford - Head of Fund Compliance & Governance Jody Evans - Director for Essex Pension Fund Jody Evans - Director for Essex Pension Fund Jody Evans - Director for Essex Pension Fund 	2	3	6	Jody Evans - Director for Essex Pension Fund	Treat	1	3	3	4	4	16
G5	Management of 3rd Party Providers	Contracts/Partnerships/Markets	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	<ol style="list-style-type: none"> Formal procurement procedures are being used for all 3rd party suppliers either in line with LGPS Frameworks or the utilisation of the ECC Procurement Team expertise. Quarterly meetings between EPF and ECC Procurement Team take place to ensure all requirements, queries and issues are captured. Essex Pension Fund (EPF) ensure these contract arrangements are kept under review. Where applicable, PSB/ISC sign off of contract procurements and/or reviews are carried out through Board/Committee Agendas. Review all contracts at least annually to ensure they have end dates; review points; and a check of their planned end date. 	<ol style="list-style-type: none"> Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance 	1	4	4	Amanda Crawford - Head of Fund Compliance & Governance	Treat	1	4	4	2	4	8

Essex Pension Fund

Risk No.	Risk Title	Risk Category	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 Control Owner	Current Assessment of Risk			Risk Owner	Mitigation Approach Treat Tolerate Transfer Terminate	Controlled Assessment of Risk			Controlled Assessment of Risk		
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								Likelihood	Impact	Risk Rating			Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating
G6	Opportunities	Financial/Economic	Evolve and look for new opportunities, ensuring efficiency at all times	JCAD Ref: EPFU0006 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	<ol style="list-style-type: none"> Management Team regularly attend appropriate conferences/events/forums. Advisers keep Essex Pension Fund (EPF) team up-to-date on opportunities. EPF Officers are included in various mailing lists which contain various headlines in respect of guidance, best practice etc as well as opportunities to attend various conferences / seminars / webinars that come available during the year. EPF Risk Coordinator is working with the ECC Risk Advisor to consider the possibility of developing an Opportunities Register. 	<ol style="list-style-type: none"> Jody Evans - Director for Essex Pension Fund Jody Evans - Director for Essex Pension Fund Jody Evans - Director for Essex Pension Fund Amanda Crawford - Head of Fund Compliance & Governance 	3	2	6	Jody Evans - Director for Essex Pension Fund	Treat	3	2	6	4	3	12
G7	Conflicts of Interest	Compliance/Governance	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	<ol style="list-style-type: none"> Essex Pension Fund (EPF) ensure conflicts of interest are recorded and monitored. Internal Declaration of Interest Forms and 3rd Party Transaction Forms are completed annually. In addition, Declarations of Interest is a standard agenda item at the PSB, ISC and PAB meetings. EPF Staff complete the ECC Declaration of Interest Form on an annual basis, and where applicable complete Fund Declaration Forms. Advice is provided to Members to enable them to recognise potential conflicts. Members adhere to Essex County Council's (ECC's) Code of Conduct. EPF have a Conflict of Interest Policy which is reviewed periodically. Members adhere to this Policy in addition to the ECC Code of Conduct. 	<ol style="list-style-type: none"> Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance 	1	3	3	Amanda Crawford - Head of Fund Compliance & Governance	Treat	1	3	3	3	4	12
G8	Contract Management	Contracts/Partnerships/Markets	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	<ol style="list-style-type: none"> Essex Pension Fund (EPF) monitor all contracts via performance measures and contract fulfilment checks. EPF plug into ECC Projects/Procurements as an end user of ECC Contracts e.g printers and BAGs. 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. 	<ol style="list-style-type: none"> Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance 	1	3	3	Amanda Crawford - Head of Fund Compliance & Governance	Treat	1	3	3	4	4	16
G9	Business Continuity	Business Continuity/Emergency	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	<ol style="list-style-type: none"> EPF Business Continuity Plan (BCP) in place. EPF BCP regularly tested, including call cascades and desk-top exercises. BCP Testing Schedule is in place with the relevant tests carried out periodically. Testino is recorded and monitored. Essex County Council (ECC) also exercise their BCP, which includes EPF and EPF Officers are invited to take part in the scenario testing. Fund Officers have commenced planning for the possibility of Blackouts (power cuts/hotlines) in line with ECC recommendations. 	<ol style="list-style-type: none"> Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance 	2	2	4	Amanda Crawford - Head of Fund Compliance & Governance	Treat	2	2	4	4	16	
G10	Risk Management	Compliance/Governance	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	<ol style="list-style-type: none"> Risk is part of Business As Usual (BAU) and is discussed at monthly Essex Pension Fund (EPF) Management Team (MT) meetings. Director for EPF and MT formally review risks each quarter. Risk movements and risks not at their target score are reported to the Essex Pension Fund Strategy Board (PSB) at each meeting. All risks are reported to Essex County Council (ECC) via JCAD on a quarterly basis. All EPF risks are recorded and monitored by EPF. EPF has developed a Risk Strategy approved by the PSB at their September 2020 meeting, which is regularly reviewed. 	<ol style="list-style-type: none"> Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance 	1	2	2	Amanda Crawford - Head of Fund Compliance & Governance	Treat	1	2	2	3	4	12
G11	Pension Fund Activity	Compliance/Governance	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	<ol style="list-style-type: none"> A Risk Register is in place to mitigate insufficient knowledge of staff. A Scorecard is developed from Key Performance Indicators (KPI's) and Business Plan objectives to ensure the Fund is meeting its obligations/statutory requirements. Progress in the achievement against the Fund's Business Plan, Scorecard and Risk Register is reported to the Essex Pension Fund Strategy Board (PSB) at each meeting. All progress against the Business Plan, Scorecard and Risk Register is recorded and monitored. All of the above are audited by ECC Internal Audit on an annual basis. 	<ol style="list-style-type: none"> Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance 	1	3	3	Amanda Crawford - Head of Fund Compliance & Governance	Treat	1	3	3	3	4	12
G12	Compliance with Regulations	Legal/Regulatory	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	<ol style="list-style-type: none"> Essex Pension Fund (EPF) monitor the current and new regulations and correspondence from the Department for Levelling Up, Housing and Communities (DLUHC) and Local Government Association (LGA). EPF ensure Administration Software System is monitored for accuracy and compliance against existing regulations. The Administration Software System is updated for any new regulatory requirements. EPF keeps abreast of developments, participating in consultations and collaborating with other Funds. EPF Officers participate in various scheme and industry groups, e.g. the Chartered Institute of Public Finance & Accounting (CIPFA). EPF utilise the expertise of their Independent Administration & Governance Adviser (IGAA). Essex Pension Fund Strategy Board (PSB) and Essex Pension Fund Investment Steering Committee (ISC) receive regular reports on scheme developments and endorse, where applicable, responses to consultations. Regular review of Distribution Lists, e.g. LGA, to ensure correct Officers are receiving relevant information. 	<ol style="list-style-type: none"> David Tucker - Technical Hub Manager and Joel Ellner - Technical Analyst David Tucker - Technical Hub Manager, Joel Ellner - Technical Analyst and Chris Pickford - Systems Manager Chris Pickford - Systems Manager Amanda Crawford - Head of Fund Compliance & Governance Jody Evans - Director for Essex Pension Fund and Daniel Chessell - Head of Fund Administration & Operations Amanda Crawford - Head of Fund Compliance & Governance Amanda Crawford - Head of Fund Compliance & Governance David Tucker - Technical Hub Manager and Joel Ellner - Technical Analyst 	1	4	4	David Tucker - Technical Hub Manager and Joel Ellner - Technical Analyst	Treat	1	4	4	4	4	16

Risk No.	Risk Title	Risk Category	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 Control Owner	Current Assessment of Risk			Risk Owner	Mitigation Approach	Controlled Assessment of Risk			Controlled Assessment of Risk		
								Current					Target			Without Controls		
								Likelihood	Impact	Risk Rating			Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating
G13	Cyber Risk	Information Security	Ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services is protected and preserved	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 Pension Fund have a Cyber Policy in place and guidance within the Policy is shared with Essex Pension Fund Staff along with the Members of the Essex Pension Fund Strategy Board (PSB), Investment Steering Committee (ISC) and Essex Pension Fund Advisory Board (PAB) and the Fund's Advisers. 2. Essex Pension Fund have a Business Continuity Policy and Plan in place, which is tested periodically. 3. Essex Pension Fund have a Policy for the Recording and Reporting of Breaches of the Law which is linked to the Cyber Policy for the reporting of Cyber related incidents. 4. Mitigations have been collated from Essex County Council (ECC) as the Host Authority along with the Fund's third party providers including Advisers and Investments Managers, Global Custodian and ACCESS which are periodically reviewed. 5. Fund Officers are in the process of developing third party, Host Authority and Employer questionnaires to ascertain further controls these stakeholders have in place.	1. Amanda Crawford - Head of Fund Compliance & Governance 2. Amanda Crawford - Head of Fund Compliance & Governance 3. Amanda Crawford - Head of Fund Compliance & Governance 4. Amanda Crawford - Head of Fund Compliance & Governance 5. Amanda Crawford - Head of Fund Compliance & Governance	3	4	12	Amanda Crawford - Head of Fund Compliance & Governance	Treat	1	4	4	4	4	16
G14	Regulatory Changes	Legal/Regulatory	Ensure compliance with the Local Government Pension Scheme (LGPS) regulations, other relevant legislation and the Pensions Regulator's Codes of Practice	JCAD Ref: EPFU0028 The Fund may have insufficient resources and inadequate governance arrangements to implement the changes required by LGPS Regulations, and other relevant legislation, including The Pension Regulator's Code of Practice which could lead to the Fund not fulfilling its strategic objectives resulting in financial loss and reputational damage Known changes include: McCloud, Cost Cap, E39k Cap, Goodwin, Academisation, Cost Management Review, SCAPE Rate Changes, GMP Equalisation, Pension Dashboards, Harpur Trust	Quarterly	1. Essex Pension Fund (EPF) and their Advisers are actively involved in the development of the LGPS. 2. EPF monitor the current and new regulations and correspondence from the Department for Levelling Up, Housing and Communities (DLUHC) and Local Government Association (LGA). 3. EPF keeps abreast of developments, participating in consultations and collaborating with other Funds. 4. EPF utilise the expertise of their Independent Administration & Governance Adviser (IGAA). 5. Additional Resources are requested from the Head of Paid Service to enable the Fund to continue to meet its obligations as and when required. 6. 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.	1. Jody Evans - Director for Essex Pension Fund 2. David Tucker - Technical Hub Manager and Joe Elinor - Technical Analyst 3. Amanda Crawford - Head of Fund Compliance & Governance 4. Amanda Crawford - Head of Fund Compliance & Governance 5. Jody Evans - Director for Essex Pension Fund	3	3	9	Jody Evans - Director for Essex Pension Fund	Treat	2	2	4	4	4	16
G15	Fraud and Theft	Reputational	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. Access controls, physically and electronically are in place and monitored regularly e.g. leavers cannot access UPM or the building once they have left the Fund. 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. Holly Gipson - Pensioner and Payroll Manager 2. Samantha Andrews - Head of Fund Investments 3. Holly Gipson - Pensioner and Payroll Manager 4. Jody Evans - Director for Essex Pension Fund 5. Amanda Crawford - Head of Fund Compliance & Governance 6. Jody Evans - Director for Essex Pension Fund 7. Samantha Andrews - Head of Fund Investments	1	4	4	Holly Gipson and Samantha Andrews - Pensioner and Payroll Manager and Head of Fund Investments	Treat	1	4	4	4	4	16
G16	GDPR	Legal/Regulatory	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	Quarterly	1. Essex Pension Fund (EPF) conduct a System backup (daily) to protect against data loss. 2. EPF ensure the use of data encryption and password protection and/or utilise the ECC security via emails (official, official sensitive etc). In addition, the Fund are utilising Egress to ensure confidentiality of information passed to/from Employers whilst the Employer Portal (secure) is being built. 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.	1. Chris Pickford - Systems Manager 2. Chris Pickford - Systems Manager 3. Amanda Crawford - Head of Fund Compliance 4. Jody Evans - Director for Essex Pension Fund 5. Chris Pickford - Systems Manager	2	4	8	Chris Pickford - Systems Manager	Treat	2	4	8	4	4	16
G17	Annual Report & Accounts	Reputational	Provide a high quality service whilst maintaining value for money	JCAD Ref: FT0014 Failure to sign off the Essex County Council Accounts directly impacts Essex Pension Fund, Fund Employers (Tax Raising Bodies) signing off their accounts, and could impact the Fund's ability to provide the actuary with timely and accurate data for the Actuarial Valuation resulting in reputational damage to the Fund and a knock on effect for further audits to be carried out	Quarterly	1. Regular communications between Pension Fund Lead Officers and ECC Finance Chief Accountant 2. Fund Officers work with External Auditor to plan (as far as possible) and manage the audit process 3. Workload planning for Essex Pension Fund team 4. Communications with Fund Employers to keep them updated on the progress 5. Communications with Fund Actuary to keep them updated on the progress	1. Samantha Andrews - Head of Fund Investments and Sara Masey - Head of Actuarial & Funding 2. Samantha Andrews - Head of Fund Investments and Sara Masey - Head of Actuarial & Funding 3. Samantha Andrews - Head of Fund Investments and Sara Masey - Head of Actuarial & Funding 4. Sara Masey - Head of Actuarial & Funding 5. Sara Masey - Head of Actuarial & Funding	4	3	12	Samantha Andrews - Head of Fund Investments	Treat	2	1	2	4	4	16

Essex Pension Fund

Risk No.	Risk Title	Risk Category	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 Control Owner	Current Assessment of Risk			Risk Owner	Mitigation Approach	Controlled Assessment of Risk			Controlled Assessment of Risk		
								Current					Target			Without Controls		
								Likelihood	Impact	Risk Rating			Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating
G18	Decisions relating to Climate	Environmental	Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise	JCAD Ref: EPFU0053 Essex Pension Fund decision makers do not achieve the required level of knowledge and understanding relating to climate change from the perspective of the Fund, leading to poor or sub-standard decisions and outcomes for the Fund including financial loss and reputational damage	Quarterly	<ol style="list-style-type: none"> EPF Knowledge and Skills Policy in place and regularly reviewed PSB/ISC and PAB members undertake ongoing training All newly appointed PSB/ISC and PAB members receive induction training EPF Pamphlets available setting out the role of the PSB, ISC and PAB in more detail EPF Conflicts of Interest Policy in place and regularly reviewed EPF ensure conflicts of interest are recorded and monitored 	<ol style="list-style-type: none"> Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance 	2	3	6	Amanda Crawford - Head of Fund Compliance and Governance	Treat	2	3	6	3	3	9
G19	EPF Infrastructure	Environmental	Understand and monitor risk and compliance	JCAD Ref: EPFU0054 Climate change results in extreme weather, flooding, power loss or other natural disasters leading to EPF infrastructure (e.g., power, buildings etc) impacted which results in reduced or no service capacity for EPF to its stakeholders. Any negative impact may also result in reputational damage to EPF	Quarterly	<ol style="list-style-type: none"> EPF have clear Business Continuity Plans EPF Business Continuity Plans are tested periodically Internal Climate Group considers impact of climate change on EPF activity Engagement with wider ECC Climate Group Officer/Adviser meetings mainly take place remotely Remote/hybrid working capacity well embedded post covid. 	<ol style="list-style-type: none"> Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance Samantha Andrews - Head of Fund Investments Samantha Andrews - Head of Fund Investments Jody Evans - Director for Essex Pension Fund Jody Evans - Director for Essex Pension Fund 	2	2	4	Jody Evans - Director for Essex Pension Fund	Treat	2	2	4	4	4	16
G20	Supplier Infrastructure	Environmental	Understand and monitor risk and compliance	JCAD Ref: EPFU0055 Climate change results in extreme weather, flooding, power loss or other natural disasters leading to suppliers being unable to undertake their role fully which results in reduced or no service for EPF to its stakeholders and leading to additional costs. Any negative impact may also result in reputational damage to EPF	Quarterly	<ol style="list-style-type: none"> Formal procurement procedures used for all 3rd party suppliers (either in line with LGPS Frameworks or ECC Procurement Team expertise) Quarterly meetings between EPF and ECC Procurement Team Contract arrangements are kept under review 	<ol style="list-style-type: none"> Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance Amanda Crawford - Head of Fund Compliance and Governance 	2	2	4	Amanda Crawford - Head of Fund Compliance and Governance	Treat	2	2	4	4	4	16
G21	EPF Climate Costs	Environmental	Provide a high quality service whilst maintaining value for money	JCAD Ref: EPFU0056 Increased costs (including potential government levies) due to the need to transition to net-zero, leading to pressure to reduce costs, which in turn could impact on delivery of climate targets (including risk to signatory status on Stewardship Code) and reputational damage to EPF	Quarterly	<ol style="list-style-type: none"> EPF benchmarks its costs against other Funds and regularly looks for efficiency savings for VFM Costs are monitored and reviewed on a regular basis Budget and Monitoring processes are in place Regular procurement/ supplier monitoring to ensure expertise at right cost 	<ol style="list-style-type: none"> Jody Evans - Director for Essex Pension Fund Jody Evans - Director for Essex Pension Fund Jody Evans - Director for Essex Pension Fund Amanda Crawford - Head of Fund Compliance and Governance 	1	2	2	Jody Evans - Director for Essex Pension Fund	Treat	1	2	2	3	3	9
I1	Investment Return	Financial/Economic	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	<ol style="list-style-type: none"> Essex Pension Fund (EPF) Investment Strategy is reviewed and monitored on a regular basis. Monitoring of investment managers performance, market conditions, Performance of both assets and liabilities is monitored periodically. 	<ol style="list-style-type: none"> Samantha Andrews - Head of Fund Investments Samantha Andrews - Head of Fund Investments 	2	2	4	Samantha Andrews - Head of Fund Investments	Treat	2	2	4	3	4	12
I2	Benchmark	Financial/Economic	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	<ol style="list-style-type: none"> The performance of investment managers and/or ACCESS Operator is subject to regular review and reported to the Investment Steering Committee (ISC) periodically. 	<ol style="list-style-type: none"> Samantha Andrews - Head of Fund Investments 	3	2	6	Samantha Andrews - Head of Fund Investments	Treat	3	2	6	4	4	16
I3	Investment Managers Procurement	Financial/Economic	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	<ol style="list-style-type: none"> The Fund procures and utilises an Institutional Investment Consultant (IIC) and an Independent Investment Adviser (IIA) EPF arrangements for the assessment/evaluation of the IIC and IIA are kept under review. ACCESS Escalation Policy is in place. Appointed Contract Manager works within the ACCESS Support Unit (ASU). 	<ol style="list-style-type: none"> Samantha Andrews - Head of Fund Investments Samantha Andrews - Head of Fund Investments Samantha Andrews - Head of Fund Investments Jody Evans - Director for Essex Pension Fund 	1	3	3	Samantha Andrews - Head of Fund Investments	Treat	1	3	3	4	4	16
I4	Investment Decisions	Financial/Economic	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	<ol style="list-style-type: none"> 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. 	<ol style="list-style-type: none"> Samantha Andrews - Head of Fund Investments 	3	2	6	Samantha Andrews - Head of Fund Investments	Treat	3	2	6	4	3	12
I5	Investment Contract Management	Contracts/Partnerships/Markets	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	<ol style="list-style-type: none"> AAFO106 Annual Control Reviews are carried out. Within the Pool environment the Depository has liability for safekeeping of Pool investments. ACCESS Support Unit (ASU) Contract Manager ensures adherence to the Operator Agreement by the 11 ACCESS Funds and LINK Formal procurement procedures are being used for all 3rd party suppliers. Essex Pension Fund (EPF) ensure these arrangements are kept under review. Fund's assets are not included on Custodian's Balance Sheet. Separate Designated Accounted for each mandate Fund Officers are in continued communications through ACCESS Governance model including Officer Working Group (OWG) and Joint Committee Meetings in relation to the monitoring of the Operator and the agreement. 	<ol style="list-style-type: none"> Samantha Andrews - Head of Fund Investments Samantha Andrews - Head of Fund Investments Samantha Andrews - Head of Fund Investments Amanda Crawford - Head of Fund Compliance Amanda Crawford - Head of Fund Compliance and Governance Samantha Andrews - Head of Fund Investments Samantha Andrews - Head of Fund Investments 	3	2	6	Samantha Andrews - Head of Fund Investments and Amanda Crawford - Head of Fund Compliance & Governance	Treat	3	2	6	4	4	16

Essex Pension Fund

Risk No.	Risk Title	Risk Category	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 Control Owner	Current Assessment of Risk			Risk Owner	Mitigation Approach	Controlled Assessment of Risk			Controlled Assessment of Risk		
								Current					Target			Without Controls		
								Likelihood	Impact	Risk Rating			Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating
16	Investment Engagement	Compliance/Governance	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. 5. Continuous implementation of the Investment Engagement Strategy.	1. Samantha Andrews - Head of Fund Investments 2. Samantha Andrews - Head of Fund Investments 3. Sara Masey - Head of Actuarial & Funding 4. Samantha Andrews - Head of Fund Investments 5. Samantha Andrews - Head of Fund Investments	1	2	2	Samantha Andrews - Head of Fund Investments	Treat	1	2	2	3	3	9
17	Investment knowledge & expertise	Compliance/Governance	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 divestment 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 Days); LGC Investments & Pensions Summit; and Ballie Gifford Investment & Training seminar.	1. Samantha Andrews - Head of Fund Investments 2. Samantha Andrews - Head of Fund Investments	1	4	4	Samantha Andrews - Head of Fund Investments	Treat	1	4	4	3	4	12
18	Responsible Investment	Financial/Economic	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 (ISC). 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 (completed); - comply with Task Force for Climate-Related Financial Disclosures (TCFD) requirements (in progress); - maintain signatory status to the Financial Reporting Council (FRC) UK Stewardship Code (annual process); - develop an Essex Pension Fund (EPF) Climate Change Policy (in progress); and - ensure Essex Pension Fund (EPF) align with Essex County Council (ECC) Essex Climate Action Commission without ECC dictating where the Fund should invest (completed).	1. Samantha Andrews - Head of Fund Investments 2. Samantha Andrews - Head of Fund Investments 3. Samantha Andrews - Head of Fund Investments 4. Samantha Andrews - Head of Fund Investments 5. Samantha Andrews - Head of Fund Investments 6. Samantha Andrews - Head of Fund Investments 7. Samantha Andrews - Head of Fund Investments	1	3	3	Samantha Andrews - Head of Fund Investments	Treat	1	3	3	3	3	9
19	Climate Expectations	Environmental	Ensure investment issues are communicated appropriately to the Fund's stakeholders	JCAD Ref: EPFU0057 Due to the Fund not adequately demonstrate its response to climate change (reactively and proactively), there is an increase in correspondence/complaints and negative press/social media resulting in poor customer satisfaction, further time spent responding to issues and potential reputational impact (particularly if escalated more widely – i.e., to media outlets)	Quarterly	1. RI Policy in place (relating to investments) 2. EPF has a well-diversified asset portfolio 3. Reviewing managers against RI policies 4. Escalation policy in place where EPF can divest from an investment manager if there are concerns which are not addressed through engagement 5. Reactive responses including all climate enquiries responded to as received 6. Direct engagement including a climate You Tube video available on EPF website which mentions RI approach 7. Direct engagement including regular updates on EPF website (every 6-8 weeks or as required) based on latest FOI responses/press releases etc. 8. Direct engagement including undertaking an RI survey to get views on RI policy and direction of Fund 9. Internal Climate Group considers impact of climate change on EPF activity 10. Engagement with wider ECC Climate Group 11. Minimising travel for all involved in the Fund, increased number of hybrid and virtual meetings	1. Samantha Andrews - Head of Fund Investments 2. Samantha Andrews - Head of Fund Investments 3. Samantha Andrews - Head of Fund Investments 4. Samantha Andrews - Head of Fund Investments 5. Samantha Andrews - Head of Fund Investments and Amanda Crawford - Head of Fund Compliance and Governance 6. Samantha Andrews - Head of Fund Investments and Amanda Crawford - Head of Fund Compliance and Governance 7. Samantha Andrews - Head of Fund Investments and Amanda Crawford - Head of Fund Compliance and Governance 8. Samantha Andrews - Head of Fund Investments 9. Samantha Andrews - Head of Fund Investments 10. Samantha Andrews - Head of Fund Investments 11. Amanda Crawford - Head of Fund Compliance and Governance	2	2	4	Samantha Andrews - Head of Fund Investments	Treat	2	2	4	3	4	12
110	Carbon Emissions	Environmental	To maximise the returns from investments within reasonable risk parameters	JCAD Ref: EPFU0058 Lack of recognition that carbon emission metrics are evolving, meaning like for like comparisons may be inappropriate, leading to carbon emission metrics being misunderstood or miscommunicated which could result in incorrect or poor decisions and also reputational damage to EPF	Quarterly	1. Use of professional advice to inform decision making and to communicate with stakeholders regarding these complexities 2. Investment returns are always considered alongside climate solutions – to ensure no detriment to returns	1. Samantha Andrews - Head of Fund Investments 2. Samantha Andrews - Head of Fund Investments	1	2	2	Samantha Andrews - Head of Fund Investments	Treat	1	2	2	3	3	9

Essex Pension Fund

Risk No.	Risk Title	Risk Category	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 Control Owner	Current Assessment of Risk			Risk Owner	Mitigation Approach	Controlled Assessment of Risk			Controlled Assessment of Risk		
						Current				Likelihood	Impact	Risk Rating			Target			Without Controls		
						Likelihood	Impact	Risk Rating							Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating
F1	Employer Contributions	Financial/Economic	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 may 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.	1. Sara Maxey - Head of Actuarial & Funding 2. Sara Maxey - Head of Actuarial & Funding 3. Sara Maxey - Head of Actuarial & Funding 4. Chris Pickford - Systems Manager 5. Sara Maxey - Head of Actuarial & Funding 6. Sara Maxey - Head of Actuarial & Funding and Chris Pickford Systems Manager	2	3	6	Sara Maxey - Head of Actuarial & Funding	Treat	2	3	6	4	4	16		
F2	Actuary Longevity Analysis	Financial/Economic	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.	1. Sara Maxey - Head of Actuarial & Funding	2	3	6	Sara Maxey - Head of Actuarial & Funding	Treat	2	3	6	3	3	9		
F3	Actuary Assumptions	Financial/Economic	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 Statements (FSS), which is kept under regular review. 4. Any change in demographics are reviewed at subsequent valuations, and any underfunding will be addressed.	1. Sara Maxey - Head of Actuarial & Funding 2. Sara Maxey - Head of Actuarial & Funding 3. Sara Maxey - Head of Actuarial & Funding 4. Sara Maxey - Head of Actuarial & Funding	1	3	3	Sara Maxey - Head of Actuarial & Funding	Treat	1	3	3	3	3	9		
F4	Employer Risk Analysis	Financial/Economic	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 outcomes to assess covenant and affordability on a proportional basis. 2. A risk analysis is conducted at each triennial valuation by the Funds Actuary. 3. Risk Analysis exercises carried out by Fund Officers periodically and reported to the Essex Pension Fund Strategy Board (PSB) as and when required. 4. Ongoing monitoring of contributions to identify significant change and continuous dialogue with employers.	1. Sara Maxey - Head of Actuarial & Funding 2. Sara Maxey - Head of Actuarial & Funding 3. Sara Maxey - Head of Actuarial & Funding 4. Sara Maxey - Head of Actuarial & Funding	2	2	4	Sara Maxey - Head of Actuarial & Funding	Treat	2	2	4	3	3	9		
F5	Employer Affordability	Financial/Economic	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. Discretionary Policy to control discretionary costs.	1. Sara Maxey - Head of Actuarial & Funding 2. Sara Maxey - Head of Actuarial & Funding 3. Sara Maxey - Head of Actuarial & Funding 4. Sara Maxey - Head of Actuarial & Funding	2	2	4	Sara Maxey - Head of Actuarial & Funding	Treat	2	2	4	3	3	9		
F6	Admission Agreements	Financial/Economic	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. Risk Analysis exercises carried out by Fund Officers periodically and reported to the Essex Pension Fund Strategy Board (PSB) as and when required. 5. Use of bonds and guarantees. 6. Ongoing monitoring of contributions to identify significant change and continuous dialogue with employers.	1. Sara Maxey - Head of Actuarial & Funding 2. Sara Maxey - Head of Actuarial & Funding 3. Sara Maxey - Head of Actuarial & Funding 4. Sara Maxey - Head of Actuarial & Funding 5. Sara Maxey - Head of Actuarial & Funding 6. Sara Maxey - Head of Actuarial & Funding	2	2	4	Sara Maxey - Head of Actuarial & Funding	Treat	2	2	4	3	3	9		
F7	Asset Liability Study	Financial/Economic	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.	1. Samantha Andrews - Head of Fund Investments 2. Sara Maxey - Head of Actuarial & Funding 3. Sara Maxey - Head of Actuarial & Funding and Samantha Andrews - Head of Fund Investments	2	3	6	Sara Maxey - Head of Actuarial & Funding	Treat	2	3	6	3	4	12		
F8	Cashflow	Financial/Economic	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 which is reported to the Essex Pension Fund Strategy Board (PSB). 2. 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. 3. Limit on illiquid assets and levels of diversification from equities and bonds. 4. Projection of expected cash flows and daily monitoring of cash.	1. Sara Maxey - Head of Actuarial & Funding 2. Sara Maxey - Head of Actuarial & Funding 3. Samantha Andrews - Head of Fund Investments 4. Samantha Andrews - Head of Fund Investments	1	3	3	Sara Maxey - Head of Actuarial & Funding	Treat	1	3	3	2	4	8		
F9	Cost Management	Financial/Economic	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. 5. Employer Flexibilities Policies have been developed and are in place, and are kept under regular review to assist where appropriate managed affordable exit from the Fund.	1. Sara Maxey - Head of Actuarial & Funding 2. Sara Maxey - Head of Actuarial & Funding 3. Sara Maxey - Head of Actuarial & Funding 4. Sara Maxey - Head of Actuarial & Funding 5. Sara Maxey - Head of Actuarial & Funding	2	2	4	Sara Maxey - Head of Actuarial & Funding	Treat	2	2	4	3	3	9		
F10	Funding Strategy Compliance/Governance	Financial/Economic	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.	1. Sara Maxey - Head of Actuarial & Funding	2	3	6	Sara Maxey - Head of Actuarial & Funding	Treat	2	3	6	3	3	9		

Risk No.	Risk Title	Risk Category	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 Control Owner	Current Assessment of Risk			Risk Owner	Mitigation Approach	Controlled Assessment of Risk			Controlled Assessment of Risk		
								Current					Target			Without Controls		
								Likelihood	Impact	Risk Rating			Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating
F11	Funding Assumptions	Environmental	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: EPFU0059 Insufficient prudence built into the Funding Strategy and assumptions used to reflect climate change risk leading to increased costs for Employers	Quarterly	1. Actuary works closely with the Investment Adviser to ensure funding and investment strategies interlink 2. Modelling takes climate risk into consideration when assessing funding levels	1. Sara Macey - Head of Actuarial and Funding 2. Sara Macey - Head of Actuarial and Funding	1	3	3	Sara Macey - Head of Actuarial and Funding	Treat	1	3	3	2	4	8
F12	Climate Costs	Environmental	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: EPFU0059 Increased costs (including potential government levies) due to the need to transition to net-zero leading to Employers no longer able to afford EPF Employer contribution costs or Employers cease to operate/go into liquidation	Quarterly	1. Employer risk (including covenant) carried out annually, focussing on those with no guarantor 2. Prudence built into funding strategy recognises some risk of employers ceasing with no guarantor	1. Sara Macey - Head of Actuarial and Funding 2. Sara Macey - Head of Actuarial and Funding	1	3	3	Sara Macey - Head of Actuarial and Funding	Treat	1	3	3	2	4	8
A1	Scheme Administration	Legal/Regulatory	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.	1. David Tucker - Technical Hub Manager and Chris Pickford - Systems Manager 2. Daniel Chessell - Head of Fund Administration & Operations 3. Amanda Crawford - Head of Fund Compliance	2	3	6	David Tucker and Chris Pickford - Technical Hub Manager and Systems Manager	Treat	2	3	6	3	4	12
A2	Value for Money	Financial/Economic	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. Reviewed by Essex Pension Fund during July 2022. No changes required. This will be reported to the PSB at their 21 September 2022 meeting.	1. David Tucker - Technical Hub Manager 2. Samantha Andrews - Head of Fund Investments 3. Samantha Andrews - Head of Fund Investments	1	3	3	Samantha Andrews - Head of Fund Investments	Treat	1	3	3	3	3	9
A3	Data Management	Compliance/Governance	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 the required point in time. 7. EPF conducts monthly and year-end data cleansing. 8. EPF has its own General Ledger on 'My Oracle' separate from ECC. 9. EPF hold their own Bank Account which was appointed via ECC through the relevant Framework. This contract is currently under review by ECC and EPF are ensuring they are plugged into this to ensure the preferred provider can carry out all aspects of the current provider and that transition, if applicable, is smooth and does not cause any issues with the BACS Cloud solution and the payment to the Fund's Pensioners.	1. Chris Pickford - Systems Manager 2. Daniel Chessell - Head of Fund Administration & Operations and Chris Pickford - Systems Manager 3. Chris Pickford - Systems Manager 4. Daniel Chessell - Head of Fund Administration & Operations 5. Holly Gipson - Pensioner and Payroll Manager and Daniel Chessell - Head of Fund Administration & Operations 6. Holly Gipson - Pensioner and Payroll Manager and Daniel Chessell - Head of Fund Administration & Operations 7. Chris Pickford - Systems Manager 8. Sara Macey - Head of Actuarial & Funding 9. Holly Gipson - Pensioner and Payroll Manager	2	2	4	Holly Gipson and Daniel Chessell - Payroll Manager and Head of Fund Administration & Operations	Treat	1	3	3	4	4	16
A4	Income Collection	Financial/Economic	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 and perform regular reconciliations to ensure compliance. 3. EPF follow the Administration Strategy in relation to late payments.	1. Sara Macey - Head of Actuarial & Funding 2. Sara Macey - Head of Actuarial & Funding 3. Sara Macey - Head of Actuarial & Funding	1	2	2	Sara Macey - Head of Actuarial & Funding	Treat	1	2	2	3	3	9
A5	Complaints	Reputational	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 Resolution 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. Kelly Armstrong - Contact and Customer Manager and Amanda Crawford - Head of Fund Compliance & Governance 2. Jody Evans - Director for Essex Pension Fund 3. Kelly Armstrong - Contact and Customer Manager	1	2	2	Kelly Armstrong - Contact and Customer Manager	Treat	1	2	2	3	3	9
A6	Administration Strategy	Legal/Regulatory	Deliver a high quality friendly and informative service to all beneficiaries and employers at the point of need	JCAD Ref: EPFU0027 Failure to meet statutory requirements caused by insufficient employer data due to failure to properly implement and enforce Administration Strategy resulting in 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 monthly and year-end data cleansing.	1. David Tucker - Technical Hub Manager and Daniel Chessell - Head of Fund Administration & Operations 2. David Tucker - Technical Hub Manager and Daniel Chessell - Head of Fund Administration & Operations 3. Jody Evans - Director for Essex Pension Fund 4. Chris Pickford - Systems Manager	2	4	8	Daniel Chessell - Head of Fund Administration & Operations	Treat	2	4	8	4	4	16

Essex Pension Fund

Risk No.	Risk Title	Risk Category	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 Control Owner	Current Assessment of Risk			Risk Owner	Mitigation Approach	Controlled Assessment of Risk			Controlled Assessment of Risk		
								Current					Target			Without Controls		
								Likelihood	Impact	Risk Rating			Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating
A7	Articulation of Administration Strategy	Compliance/Governance	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. David Tucker and Daniel Chessell - Technical Hub Manager and Head of Fund Administration & Operations 2. David Tucker and Daniel Chessell - Technical Hub Manager and Head of Fund Administration & Operations 3. Jody Evans - Director for Essex Pension Fund 4. Jody Evans - Director for Essex Pension Fund	1	3	3	Jody Evans - Director for Essex Pension Fund	Treat	1	3	3	3	3	9
A8	Employer Relationship Management	Compliance/Governance	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. Essex Pension Fund (EPF) maintain a Communication Plan which is reviewed and monitored on a regular basis. 2. Forums/Virtual Webinars are held for Employers along with the issue of Newsletters to keep them up-to-date with Fund information at least annually. 3. Workshops / virtual webinars and training videos are carried out/developed to ensure monthly and year-end requirements are communicated.	1. David Tucker - Technical Hub Manager 2. Sara Massey - Head of Actuarial & Funding 3. Chris Rickford - Systems Manager	1	2	2	Sara Massey - Head of Actuarial & Funding	Treat	1	2	2	3	3	9
C1	Stakeholder Engagement Strategy	Compliance/Governance	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 Stakeholder Engagement Strategy and 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 (PSB) on a regular basis. 7. Implementation of Stakeholder Engagement Strategy (approved by PSB at 18 March 2022).	1. David Tucker - Technical Hub Manager 2. David Tucker - Technical Hub Manager 3. David Tucker - Technical Hub Manager 4. Daniel Chessell - Retirements Management and Kelly Armstrong - Contact and Customer Manager 5. Jody Evans - Director for Essex Pension Fund 6. Chris Rickford - Systems Manager 7. Jody Evans - Director for Essex Pension Fund	1	3	3	David Tucker - Technical Hub Manager	Treat	1	3	3	3	3	9
C2	Communications Policy	Compliance/Governance	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 types of 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/Virtual webinars are held for Employers along with the issue of Newsletters to keep them up-to-date with Fund information as and when required.	1. David Tucker - Technical Hub Manager 2. Amanda Crawford - Head of Fund Compliance 3. David Tucker - Technical Hub Manager 4. David Tucker - Technical Hub Manager 5. Sara Massey - Head of Actuarial & Funding	1	2	2	David Tucker - Technical Hub Manager	Treat	1	2	2	3	3	9
C3	Stakeholder Feedback	Compliance/Governance	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.	1. Amanda Crawford - Head of Fund Compliance & Governance and Daniel Chessell - Retirements Manager 2. David Tucker - Technical Hub Manager 3. David Tucker - Technical Hub Manager	2	2	4	David Tucker - Technical Hub Manager	Treat	2	2	4	3	3	9
C4	Fund Website	Compliance/Governance	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.	1. David Tucker - Technical Hub Manager	2	2	4	David Tucker - Technical Hub Manager	Treat	2	2	4	3	3	9
C5	Opt Outs Environment	Compliance/Governance	Deliver information in a way that suits all types of stakeholders including providing more accessibility through greater use of technology	JCAD Ref: EPFU0061 Increased general costs in society due to the need to transition to net-zero leading to Scheme Members are no longer able to pay LGPS contribution costs and opt out of the Scheme (or move to S050)	Quarterly	1. EPF maintains a Communication Plan which is reviewed and monitored on a regular basis 2. EPF ensure they align their practices to the Stakeholder Engagement Strategy and Communication Policy to enable accurate communications	1. Amanda Crawford - Head of Fund Compliance and Governance 2. Amanda Crawford - Head of Fund Compliance and Governance	2	2	4	David Tucker - Technical Hub Manager	Treat	2	2	4	3	3	9