

Governance & Regulation Risk

Risk Detail				Current Situation	Scoring			Management and Monitoring				
Risk & Nature of Risk		Cause of Risk	Implications of Risk	Risk Owner & Impact Period	Current Risk Controls	Severity	Probability	Score	Current Status	Action Required	Responsible Party & Review Date	Progress Report/ Comments
G.1	WPP fails to comply with relevant regulation and LGPS guidance.	<ul style="list-style-type: none"> WPP is unaware and/ or ignores relevant regulation, guidance and recent updates. No means of monitoring regulatory compliance. Mis-interpretation of how regulation and guidance applies to WPP. Insufficient resources to meet guidance and regulatory requirements, this includes Pooling Guidance. 	Potential Fines, loss of sovereignty and a negative impact on the WPP's reputation.	HA & OWG	<ul style="list-style-type: none"> Ensure sufficient training takes place Maintain a mechanism for monitoring recent regulations changes and progression toward meeting the new requirements Engagement with relevant regulatory bodies (such as Scheme Advisory Board, Pension Regulator and DLUHC) Appointment of an expert legal advisor Regulation and Governance Updates is a standing item at each OWG meeting. The Operator now provides quarterly regulatory developments updates to the OWG The WPP has facilitated and hosted training sessions with DLUHC and the SAB over the past twelve months. It has also hosted a dedicated training session on the different regulation and guidance that the WPP needs to be aware of and the different bodies and institutions that produce relevant guidance/ regulation. 	5	2	10	👍	N/A	OWG (RR Sub-Group)	New pooling guidance is expected later this year but exact dates are still to be confirmed.
	Operational / Reputational	Medium Term	Target	5	2	10						
G.2	The WPP becomes overly dependant on a single or limited decisions maker or decision making body.	<ul style="list-style-type: none"> A number of decision makers or a decision-making body has a knowledge gap which limits their ability to contribute/ influence the decision-making process. Resources and other commitments limit the availability and input of relevant decision makers and decision-making bodies. A number of decision makers or a decision-making body is given or gains excessive decision-making power. Unjustifiable levels of decision-making power concentration 	The WPP is inefficiently managed. Unsuitable decisions are made due to a lack of challenge / debate/ input and variety of views.	JGC & OWG	<ul style="list-style-type: none"> Ensure sufficient training takes place Appointment of an Oversight Advisor to advise on the WPP's governance structure Procurement and use of external advisors and suppliers that add inform/ provide guidance and bring a diversity of views to the decision-making process Use of a governance structure that ensure sufficient scrutiny prior to decisions being approved Adoption of a governance structure that does not allow high levels of decision-making concentration Annual review of WPP's resource requirements Annual meeting with Pension Boards held, which provide an invaluable source of knowledge and variety of views 	3	1	3	👍	N/A	-OWG (RR Sub-Group)	Action to appoint a Scheme Member Rep on the JGC – who will provide an additional layer of challenging and variety of perspective - is on-going and should be in place by Q2 2022.
	Operational	Long Term	Target	3	2	6						
G.3	The WPP fails to adhere to its pre-agreed budget.	<ul style="list-style-type: none"> Inappropriate estimation of required budget. Failure to effectively manage costs of WPP activities and external provider fees. Failure to maintain a means of monitoring expenditure and remaining budget. 	The WPP fails to meet its pre-agreed budget and/or has inadequate monitoring of budget activities.	HA/ JGC	<ul style="list-style-type: none"> Monitoring of current expenditure and remaining budget Engagement with relevant suppliers to ascertain whether fees are due to change and/or in line with expectation Annual Budget approved by the Constituent Authorities Budget variance is reported to the JGC on a quarterly basis as part of the Host Authority Update Host Authority has put in place additional fee check for its external advisors 	4	2	8	👍	Embed new control procedures (such as a more detailed analysis of provider fees each month) and more transparency on the budgeting process. Review new control procedures in Q1 2023.	HA/ OWG	Budget monitoring activities have continued over the past year and further controls have been put in place to monitor and report on provider fees.
	Financial / Reputational	Short Term	Target	4	1	4						
G.4	The WPP fails to maintain suitable records, documentation is not filed in a suitable manner and personal data is not stored securely.	<ul style="list-style-type: none"> Lack of adequate procedures. Insufficient knowledge of best practice in regards to how to store personal data, documentation and records. Lack of suitable systems and IT solutions to facilitate and assist in the storing and maintenance of personal data, documentation and records. 	The WPP loses valuable data and intellectual property. The WPP's reputation is negatively impacted. The WPP is subject to financial penalties or fines.	HA	<ul style="list-style-type: none"> Ongoing training on best practice Relevant WPP personnel are expected to complete GDPR training Adoption of a secure documents portal to hold relevant records and documentations Legal Advisor appointed to provide guidance on relevant regulation and interpretation of this regulation 	4	2	8	👍	N/A	HA	N/A
	Financial / Reputational	Medium Term	Target	4	2	8						

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G.5	The WPP fails to provide suitable and accurate accounts by the statutory deadline.	<ul style="list-style-type: none"> Back of adequate planning for closure of accounts. Back of resources leads to late or inadequate accounts. Back of sufficient knowledge/ expertise. JGC approval cannot be provided due to certain circumstances. 	The WPP's reputation is negatively impacted. Potential referral to the Scheme Advisory Board and the DLUHC.	HA/ JGC	<ul style="list-style-type: none"> Ongoing training Timetabled audit process Engagement with external audit to discuss deadlines and forward planning Appropriate level of expertise in place at Host Authority Accounts are externally audited by an expert 	Current				N/A	HA	The probability of the target & current score has been reduced to 1, which has reduced the overall score to 4. This is due to the very defined process WPP follows to produce accounts by the statutory deadline and the experience of previous year's returns.	
	Reputational			Medium Term		4	1	4					
			Target			4	1	4					
						4	1	4					
G.6	The WPP does not manage conflicts of interests.	<ul style="list-style-type: none"> Failure of WPP Personnel to state any potential conflicts. No policy in place which outlines how conflicts of interests should be managed. Inability of WPP personnel to disassociate personnel interest from the interests of the WPP's stakeholders. 	Inappropriate decisions are made that are not in the best interest of the WPP's stakeholders. The WPP's reputation is negatively impacted. Potential referral to the Scheme Advisory Board and the MHCLG.	WPP Personnel/ Suppliers and Advisors	<ul style="list-style-type: none"> Declaration of conflict is an ongoing agenda item at the Joint Governance Committee Conflict of interest policy in place Engagement with relevant bodies such as the Scheme Advisory Board on best practice and relevant guidance <ul style="list-style-type: none"> OWG Members need to notify the OWG at the beginning of the meeting if their declarations of interest have changed since the last meeting, written confirmation also need to be provided to the HA. 	Current				N/A	HA/ OWG	N/A	
	Operational / Reputational			Medium Term		3	1	3					
			Target			3	1	3					
						3	1	3					