
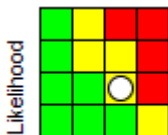



# CHB CP City Procurement Detailed risk register EXCLUDING completed actions

**Report Author:** Lisa Moore  
**Generated on:** 16 March 2019

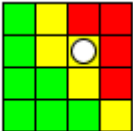
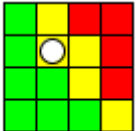


Rows are sorted by Risk Score

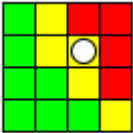
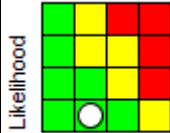
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>CHB CP001</b> <b>Brexit risk to City Corporation procurement and supply chains</b>	<p><b>Cause:</b> The UK leaving the EU (Brexit) with no trading deals in place.</p> <p><b>Event:</b> The result of the Brexit negotiations could have a negative impact on the Corporation's supply chain, both with direct tier 1 suppliers and their sub-contractor network.</p> <p><b>Effect:</b> Brexit could effect changes to our direct suppliers and their supply chain, impacting negatively on the Corporation. A range of potential impacts are:</p> <ul style="list-style-type: none"> <li>• <b>Regulatory / Legal requirements</b> -existing supply contracts may be impacted by changes in regulation, or legal requirements.</li> <li>• <b>Assurance of Supply</b> - risk that a complete failure in supply of the goods / service (e.g. Carillion) from key suppliers could be felt.</li> <li>• <b>Quality</b>- quality of the goods / service impact due to changes in our Supply Chain.</li> <li>• <b>Service</b>- Service levels be impacted negatively by any changes in the Supply Chain or access to workers, particularly in low skilled categories.</li> </ul>	 <p>Likelihood</p> <p>Impact</p>	12	<p>Crown Commercial Service issued a Procurement Policy Note on 7 March 2019 which was consistent with the advice given on 13 January 2019 by the Cabinet Office.</p> <p>1. No Deal Brexit - in this instance from midnight on 29 March 2019 the existing UK Public Contract Regulations will remain as is but references to EU will revert to UK with current thresholds retained. The main change will be the contract notices will be advertised on a UK only equivalent to EU's TED (Tenders Electronic Daily) service (eTending platform). The Cabinet Office confirmed that there is a fully tested and functioning portal ready to be launched and the key eTendering providers have already accredited to interface with this new portal</p>	 <p>Likelihood</p> <p>Impact</p>	8	31-Mar-2019	

12-Nov-2018 Christopher Bell	<ul style="list-style-type: none"> <li>• <b>Financial risk</b> -Are any supply changes likely to drive up costs of the Goods / Services/Works in the short/medium/long term.</li> <li>• <b>Sustainability</b>- risk that will change the level of innovation or sustainability of the goods / service/work against expectations?</li> <li>• <b>Workload</b>- Will changes in the Supply Chain cause significant workload to the Procurement/Commercial/Legal teams due to change controls/re-negotiation of terms?</li> </ul>			<p>including our eTendering provider Jaegger.</p> <p>2. Deal Secured - The regulations will stay as current and be phased to UK only legislation by 31 December 2020.</p> <p>3. Extension of Article 50 - The regulations will stay as current until details of a revised transition period are announced.</p> <p>The EU Exit risk assessment by category report developed in conjunction with Efficio Consulting has now been signed off by the Brexit Planning Group and went to Finance Committee 19/02/2019.</p> <p>An approach to key suppliers to request their mitigation plans in relation to Brexit will be conducted at the appropriate time [when we know what is happening on the 29th of March].</p> <p>Finally, the outcome of the Canary Wharf V European Medicines Agency (EMA); the EMA has lost its bid to cancel a lease on its office in London's Canary Wharf financial district due to Brexit, in a landmark ruling that lawyers said could stave off similar such claims by other tenants.</p> <p><b>13 Mar 2019</b></p>				Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP001a	Work with London Councils and London Procurement Network to assess key risks by spend category. Sharing information and findings to assist key risks to the Corporation.	City Procurement is receiving regular updates from the Cabinet Office and the London Procurement Network. Advice and actions are consistent with our approach to handling the supply chain risk at present.	Christopher Bell	13-Mar-2019	31-Mar-2019
CHB CP001d	Draft a communications plan based on the three likely Brexit scenarios - no deal, extended deal, and deal.	We are awaiting the latest vote on the deal held on 12 March 2019. Given the outcome and no resolution on what the Brexit impact is of yet, no communications to our key suppliers is planned.	Christopher Bell	13-Mar-2019	29-Mar-2019


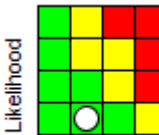

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CHB CP004 <b>City accelerate delays and impact on income levels</b>	<b>Cause:</b> City Accelerate uptake has not been as projected <b>Event:</b> ‘Go Live’ was delayed and there has been limited uptake by suppliers to the offering <b>Effect:</b> Not realising the projected income level opportunities	 <p>Likelihood</p> <p>Impact</p>	12	Supplier has proposed changes to the evaluation of City Accelerate within the tender process that does not include weighting. This has been reviewed by the Commercial Director, Commercial Contract Management, Policy & Compliance, and Category Management as acceptable in principle but have requested the supplier review our standard documents and propose the necessary changes. This will be reviewed before any decision to update standard documents is completed.  City Procurement are still waiting on the supplier to finalise the supplier strategy. A promotional video was made with members of City Procurement, but the approval to release that video is being held until the supplier strategy is received.  Additional fields have been added to the overall contract information that is stored on CapitalE sourcing. This will allow us to monitor uptake of the scheme more effectively.	 <p>Likelihood</p> <p>Impact</p>	6	30-Apr-2019	↑
11-Dec-2018 Andrew Lenihan				15 Mar 2019				Increasing

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP004a	Strategy for addressing different supplier spend is being drafted by partner supplier and will be presented to City Procurement management team.	City Procurement are still waiting on the supplier to finalise the supplier strategy. A promotional video was made with members of City Procurement, but the approval to release that video is being held until the supplier strategy is received.	Andrew Lenihan	06-Mar-2019	30-Apr-2019
CHB CP004b	City Procurement management team will conduct review of supplier spend strategy and come up with an action plan.	City Procurement are still waiting on the supplier to finalise the supplier strategy. A promotional video was made with members of City Procurement, but the approval to release that video is being held until the supplier strategy is received.	Andrew Lenihan	06-Mar-2019	30-May-2019
CHB CP004c	Improved monitoring of inclusion in the tender process to be implemented	<p>A reminder email has been sent to the category management team to include City Accelerate section for all tenders over £100,000.</p> <p>A section has been added to the Contract information on Capital which will allow us to monitor the uptake of this scheme. This will only be completed for new procurements.</p> <p>The Supplier Performance Officer will monitor the completion of the new section. The frequency of that review has yet to be decided.</p>	Andrew Lenihan	15-Mar-2019	31-Mar-2019
CHB CP004d	Update CoL standard documents to included weighting as part of the commercial envelope	Oxygen Finance have reviewed the current wording in the CoL standard documents and sent proposed changes back to us. A meeting with senior management to be arranged to review the proposed changes and approve update to the standard documents.	Rajiv Rathod	15-Mar-2019	30-Apr-2019

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CHB CP005 Impact on procurement resources	<p><b>Cause:</b> Resource pressure on City Procurement</p> <p><b>Event:</b> Increase in unplanned procurements and the number of category A suppliers being managed coupled with key vacancies in the team</p> <p><b>Effect:</b> Reduced ability to strategically manage key procurements and the likelihood of short-term tactical solutions being favoured to ensure service continuity and compliance</p>	 <p>Likelihood</p> <p>Impact</p>	12	<p>Risk is being managed despite continued new pressures on resource and a reduction in capacity due to vacancies.</p> <p>Current Vacancies</p> <ul style="list-style-type: none"> <li>• Senior Category Manager for Property and Construction</li> <li>• Commercial Contract Manager</li> <li>• Category Manager for Corporate Services</li> <li>• Accounts Payable Manager</li> </ul> <p>In addition, the Assistant Director for Sourcing and Category Management has been on a leave of absence since 19 February 2019.</p> <p>Live recruitments are happening for CM, CCM, and the AP Manager.</p> <p>Recruitment for vacant Senior Category Manager for Property and Construction was not successful and the post will be frozen until the new financial year.</p> <p>Sourcing Plan information has been collected from the departments was reviewed by the Assistant Director of Sourcing and Category Management and Business Process and Reporting Manager. Category specific Sourcing Plans should circulate to category</p>	 <p>Likelihood</p> <p>Impact</p>	2	31-Dec-2019	↓

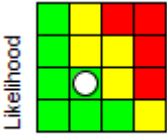
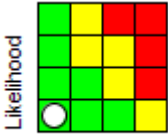

11-Dec-2018 Christopher Bell				boards in April.  We hope to be back to a successful capacity in six months. <b>15 Mar 2019</b>				Decreasing
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP005a	Annual Sourcing Plan being drafted by City Procurement with input from last year's sourcing plan, departments, contracts register, and waiver reports.	Category specific Sourcing Plans should circulate to category boards in April.	Mona Lewis	15-Mar-2019	31-May-2019

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<b>CHB CP003</b> <b>VAT loss through use of Purchase Cards</b>  11-Dec-2018 Andrew Lenihan	<b>Cause:</b> P-card users not uploading valid VAT receipts to transactions <b>Event:</b> Quarterly reporting shows an average of £64,000 worth of transactions potentially being lost each quarter <b>Effect:</b> City is losing out on a significant proportion of the VAT that we are entitled to reclaim and incorrect reporting to HMRC can incur penalties.	 Likelihood Impact	6	There is the potential to import data into the City Card system for level 2 and level 3 suppliers which would negate the need for VAT receipt. Projects & Data Officer will complete a Merchant Mapping report for Lloyd's to give a preliminary view of what suppliers we could target and make use of electronic VAT data.  <b>06 Mar 2019</b>	 Likelihood Impact	2	31-Mar-2020	  Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP003a	Update report of management responses from the Chief Officer's quarterly reports to Procurement Sub-Committee	Chief Officer's Q3 report has been sent to departments for comment. The deadline for responses is 15 April. City Procurement will take findings report to Procurement Sub Committee in May 2019.	Andrew Lenihan	15-Mar-2019	01-Apr-2019
CHB CP003b	VAT receipt Best Practice email to be sent out to all P-card users	Best practice email will be sent in April to remind P-card users of the importance of VAT receipts.	Andrew Lenihan	06-Mar-2019	30-Apr-2019
CHB CP004d	Review possibility of a data import in CityCard system to exemption level 2/3 suppliers negating need to upload VAT receipts.	There is the potential to import data into the City Card system for level 2 and level 3 suppliers which would negate the need for VAT receipt. Projects & Data Officer will complete a Merchant Mapping report for Lloyd's to give a preliminary view of what suppliers we could target and make use of electronic VAT data.	Andrew Lenihan	06-Mar-2019	31-May-2019



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<b>CHB CP008 Duplicate Payments paid to our suppliers</b>  14-Jan-2019 Andrew Lenihan	<b>Cause:</b> Instances where the City pays the same invoice twice due to human input errors or system faults. <b>Event:</b> It's been 24 months since our last duplicate payment audit and City Surveyor's have asked us to consider it as they are keen to review utility payments. <b>Effect:</b> The risk that the City pays more than its contracted and budgeted amounts. In addition, there is resource implications due to the unplanned work to redeem credits from suppliers.	 Likelihood	4	A specification is being drafted to appoint a third party to complete a one-off recovery audit. This will produce a report on the assurance of our procedures and recover any duplicate payments. We expect to complete a complete a quote process in April.  <b>15 Mar 2019</b>	 Likelihood	1	31-Jul-2019	  Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP008a	Procure a third party supplier to review our payment history and identify possible duplicate payments.	The specification is being written to appoint a third party to complete the recovery audit. We expect to complete a complete a quote process in April.	Andrew Lenihan	06-Mar-2019	31-May-2019
CHB CP008b	Recovery audit completed by appointed third party supplier	Progress on this action will commence when third party supplier is appointed.	Andrew Lenihan	15-Mar-2019	30-Jun-2019
CHB CP008c	Recover credits identified as part of the recovery audit.	Progress on this action will commence once the recovery audit has been completed.	Andrew Lenihan	15-Mar-2019	31-Jul-2019

