## **CHB CP City Procurement Detailed risk register EXCLUDING completed** actions

**Report Author:** Lisa Moore **Generated on:** 01 July 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
CHB CP001 Brexit risk to City Corporation procurement and supply chains	Cause: The UK leaving the EU (Brexit) with no trading deals in place.  Event: 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.  Effect: Brexit could effect changes to our direct suppliers and their supply chain, impacting negatively on the Corporation. A range of potential impacts are:  • Regulatory / Legal requirements -existing supply contracts may be impacted by changes in regulation, or legal requirements.  • Assurance of Supply - risk that a complete failure in supply of the goods / service (e.g. Carillion) from key suppliers could be felt.  • Quality- quality of the goods / service impact due to changes in our Supply Chain.  • Service- Service levels be impacted negatively by any changes in the Supply Chain or access to workers, particularly in low skilled categories.	Likelihood	12	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.  1. No Deal Brexit - in this instance from midnight on 31 October 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 (eTendering 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		8	31-Oct- 2019	

12-Nov-2018	Financial risk -Are any supply changes likely to drive up osts of the Goods / Services/Works in the hort/medium/long term.  Sustainability- risk that will change the level of anovation or sustainability of the goods / service/work gainst expectations?  Workload- Will changes in the Supply Chain cause ignificant workload to the procurement/Commercial/Legal teams due to change ontrols/re-negotiation of terms?		including our eTendering provider Jaegger.  2. Deal Secured - The regulations will stay as current and be phased to UK only legislation by 31 December 2020.  3. Extension of Article 50 - The regulations will stay as current until details of a revised transition period are announced.  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.  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 - October 2019 or earlier if possible].  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.  27 Jun 2019		Constant
Christopher Bell					

Action no	Action description			Latest Note Date	Due Date
	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.		Christopher Bell		31-Oct- 2019
		Given the outcome of votes so far in Parliament and no resolution on what the Brexit impact is of yet, no communications to our key suppliers is planned.			31-Oct- 2019

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
CHB CP004 City accelerate delays and impact on income levels	Cause: City Accelerate uptake has not been as projected Event: 'Go Live' was delayed and there has been limited uptake by suppliers to the offering Effect: Not realising the projected income level opportunities	Impact	12	City Accelerate and other commercial opportunities are now included in the evaluation of the commercial envelope. The invitation to tender documents have been updated inviting bidders to include discounts as part of their tender offerings and net figures will be used when calculating scores.  The Commercial Contract Management team will continue to monitor uptake of the scheme.	Impact	6	30-Nov- 2019	Constant
Andrew Lenihan								

Action no	Action description		Latest Note Date	Due Date
CHB CP004b		5 1 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		30-Aug- 2019
СНВ СР004с		Guidance in the ITT for the commercial envelope and evaluation has been updated.		30-Aug- 2019

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
CHB CP005 Impact on procurement resources  11-Dec-2018 Christopher Bell	Cause: Resource pressure on City Procurement Event: Increase in unplanned procurements and the number of category A suppliers being managed coupled with key vacancies in the team Effect: Reduced ability to strategically manage key procurements and the likelihood of short-term tactical solutions being favoured to ensure service continuity and compliance	Likelihood	12	Risk is being managed despite continued new pressures on resource and a reduction in capacity due to vacancies.  Current Vacancies  • Assistant Director Sourcing & Category Management (conditional offer)  • Senior Category Manager for Property and Construction  • Category Manager for Corporate Services (interviews w/c 1 July)  • Accounts Payable Manager  • Payments & Data Officer (advert closes 8 July)  There is currently a Corporate wide freeze on recruitment while the Fundamental Review is underway. Special dispensation can be granted by Chief Officers to fill vacancies are operationally necessary. Recruitment for the AD of Sourcing and Category Management is in the final phase with a conditional offer extended to the top candidate.  01 Jul 2019	Impact	2	31-Dec- 2019	Constant

Action no	Action description			Latest Note Date	Due Date
CHB CP005a		The Sourcing Plan will be circulated to category boards July/August and should go to committee after the summer recess.	Mona Lewis	01-Jul-2019	30-Aug- 2019
CHB CP005b		1	Christopher Bell		01-Sep- 2019

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating of	& Score	Risk Update and date of update	Target Risk Rating &	Score	Target Date	Current Risk score change indicator
CHB CP003 VAT loss through use of Purchase Cards  11-Dec-2018 Andrew Lenihan	Cause: P-card users not uploading valid VAT receipts to transactions  Event: Quarterly reporting shows an average of £64,000 worth of transactions potentially being lost each quarter  Effect: 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.	Impact	6	Q3 Chief Officer's P-Card report went to Procurement Sub Committee on 30 May 2019. In the report, three departments were identified as having the potential for the largest VAT loss. City Procurement asked each of these departments to review their transaction and input into the report. Two of the three departments provided a response. Committee has sent a note to the remaining department to express disappointment in the lack of response.  Accounts Payable will continue quarterly reporting in addition to working with Lloyds to mitigate potential VAT losses for level 2/3 suppliers.  07 Jun 2019	Impact	2	31-Mar- 2020	Constant

Action no	Action description		Latest Note Date	Due Date
СНВ СР003а	Update report of management responses from the Chief Officer's quarterly reports to Procurement Sub-Committee	Q3 for 2018/19 went to committee on 30 May 2019. A report with Q4 is expected to go to September Procurement Sub Committee.		30-Aug- 2019
CHB CP003b		A guidance email regarding VAT receipts for hotels was sent to all P-card users. A general best practice email will be sent June/July.	 27-Jun- 2019	28-Jul-2019
CHB CP003d	exemption level 2/3 suppliers negating need to upload	I are a real fraction of the r		30-Aug- 2019

		target and make use of electronic VAT data.			
СНВ СР003е	procurement exercise is due to kick off later this year.	Contract expiry date is end of May 2020 so the procurement exercise is due to kick off later this year. Head of Accounts Payable to set up a working group to review specification and incorporate lessons learned from this contract e.g. reporting and VAT ahead of the tender exercise.	Andrew Lenihan	01-Jul-2019	01-Oct- 2019

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
CHB CP008 Duplicate Payments paid to our suppliers  14-Jan-2019 Andrew Lenihan	Cause: Instances where the City pays the same invoice twice due to human input errors or system faults.  Event: 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.  Effect: 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		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 July.  27 Jun 2019	Impact	01-Nov- 2019	Constant

Action no	Action description	Latest Note	 Latest Note Date	Due Date
		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 July.	27-Jun- 2019	15-Aug- 2019
CHB CP008b	Recovery audit completed by appointed third party supplier	Progress on this action will commence when third party supplier is appointed.	07-Jun- 2019	12-Sep- 2019
СНВ СР008с	Recover credits identified as part of the recovery audit.	Progress on this action will commence once the recovery audit has been completed.		01-Oct- 2019

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating &	Score	Risk Update and date of update	Target Risk Rating & S	Score	Target Date	Current Risk score change indicator
10-day	Cause: SME invoices are not paid within ten days of receiving their invoice  Event: Monthly reporting shows that this target has not been consistently achieved during this financial year  Effect: Our commitment to paying SMEs faster to aid their cash flow is being negatively impacted and our corporate KPI is being failed.	Impact		The SME payment target for 2019/20 was increased to 88% from 85%. April 2019 came in at 87% and May at 86% falling just short of the new target. The Projects and Data Team will continue to monitor performance with the aim of achieving a full quarter of results before reviewing the risk rating. A work order for the SME flag is with the Oracle team.  01 Jul 2019	Impact	1	30-Sep- 2019	Constant

Action no	Action description	Latest Note		Latest Note Date	Due Date
CHB CP002b	Add the SME flag on a supplier to the Invoice on Hold report to help departments prioritise the receipting of SME purchase orders (POs).	A work order has been requested and logged with the Oracle team.			01-Oct- 2019
CHB CP002f	we would like to report a full quarter's achievement of the	The SME payment target for 2019/20 was increased to 88% from 85%. April 2019 came in at 87% which did not meet the new target. The Data team will continue to monitor performance for the quarter.			30-Sep- 2019
CHB CP002g	Accounts Payable have implemented an e-Invoicing system capable of processing true e-invoices. The Head of AP to research the impact of an additional resource to lead on communications of that e-Invoicing system to increase throughput.	Accounts Payable have implemented an e-Invoicing system capable of processing true e-invoices. The Head of AP to research the impact of an additional resource to lead on communications of that e-Invoicing system to increase throughput.	Andrew Lenihan	01-Jul-2019	31-Oct- 2019
CHB CP002h	To maximise the benefits of our e-invoicing systems, smartforms need to include product codes and additional e-catalogues added to the system.	The Head of Accounts Payable to work with Procurement Operations Manager to review existing smart forms and e-catalogues opportunities.	Andrew Lenihan	01-Jul-2019	31-Oct- 2019