

# CHB CP City Procurement Detailed risk register EXCLUDING completed actions

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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 |
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| <b>CHB CP001</b><br><b>Brexit risk to City Corporation procurement and supply chains</b><br><br>12-Nov-2018<br>Christopher Bell | <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> <li>• <b>Financial risk</b> -Are any supply changes likely to drive up</li> </ul> | <br>Likelihood<br><br>Impact | 12 | Communications approach - draft letter, list of key suppliers, and comms timetable - signed off by Brexit Planning Group. The letters were sent Friday 25 November with a return deadline of 15 November. Feedback to Brexit Planning Group is scheduled for w/c 25 November.<br><br><b>14 Nov 2019</b> | <br>Likelihood<br><br>Impact | 8 | 31-Dec-2019 | <br><br>Constant                    |

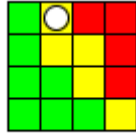
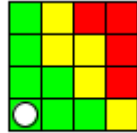
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|  | <p><i>costs of the Goods / Services/Works in the short/medium/long term.</i></p> <p>• <b>Sustainability-</b> <i>risk that will change the level of innovation or sustainability of the goods / service/work against expectations?</i></p> <p>• <b>Workload-</b> <i>Will changes in the Supply Chain cause significant workload to the Procurement/Commercial/Legal teams due to change controls/re-negotiation of terms?</i></p> |  |  |  |  |  |  |
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| Action no  | Action description                                                                                         | Latest Note                                                                                                                                                                                                                                                                   | Action owner     | Latest Note Date | Due Date    |
|------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|-------------|
| CHB CP001d | Draft a communications plan based on the three likely Brexit scenarios - no deal, extended deal, and deal. | Communications approach - draft letter, list of key suppliers, and comms timetable - signed off by Brexit Planning Group. The letters were sent Friday 25 November with a return deadline of 15 November. Feedback to Brexit Planning Group is scheduled for w/c 25 November. | Christopher Bell | 14-Nov-2019      | 31-Dec-2019 |



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| Lenihan |  |  |  |  |  |  |  |
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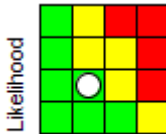

| Action no  | Action description                                                                                                                                                                 | Latest Note                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Action owner   | Latest Note Date | Due Date    |
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| CHB CP004b | City Procurement management team will conduct review of supplier spend strategy and come up with an action plan.                                                                   | A dedicated Service Manager has been assigned to the City Corporation account by our commercial partner. Their objective is to help speed up and co-ordinate the different strands of work between the commercial partner and the Commercial Contract Management team. For example, identifying recent spend with contractors to review whether City Corporation should regard them as SMEs.                                                                                                                                                                                                                                             | Andrew Lenihan | 14-Nov-2019      | 01-Jan-2020 |
| CHB CP004e | Proposal submitted as part of the Fundamental Review to remove the 10 day payment target for SMEs which could potentially have a positive impact on the uptake of City Accelerate. | <p>The proposal to remove the 10 day payment requirement for SMEs was not considered in this round of the Fundamental Review. The Chamberlain plans to take a paper to Finance Committee in January on plan to facilitate approved Fundamental Review recommendations and business plans over the next year. This will be considered as part of that exercise.</p> <p>The proposed changes to the Procurement Code Part 1 removes 10-day payment for SMEs as a rule leaving 30 day payment in line with our standard contract terms. At this time, Accounts Payable continue to pay SMEs in advance of the 30 days as good practice.</p> | Andrew Lenihan | 14-Nov-2019      | 01-Apr-2020 |

| 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 |
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| <b>CHB CP009 Monitoring Corporate Contract Spend</b><br><br>22-Oct-2019<br>Darran Reid | <b>Cause</b> – There is a weakness in reporting and monitoring of contractual spend data<br><b>Event</b> – CCM has identified that the current ERP system is set up to track supplier level expenditure and not contract level expenditure<br><b>Effect.</b> Any issues or inconsistencies with the contract are not identified or proactively mitigated | <br>Likelihood<br>Impact | 8 | Can't easily reconcile what is in the contract and what is being spent in Oracle – weakness in reporting and monitoring of contractual spend data. AD for Commercial Contract Management and Procurement Operations Manager to work with the Oracle Team to explore options for a report and/or controls which might assist with this issue. City Procurement SMT to review processes and procedures in maintaining a Corporation Contract Register.<br><br><b>14 Nov 2019</b> | <br>Likelihood<br>Impact | 1 |             | Constant                            |

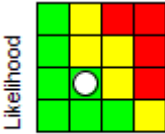
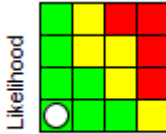

| Action no  | Action description                                                                                                                                                                        | Latest Note                                                                                                                                                                               |  |  | Action owner | Latest Note Date | Due Date    |
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| CHB CP009a | AD for Commercial Contract Management and Procurement Operations Manager to work with the Oracle Team to explore options for a report and/or controls which might assist with this issue. | AD for Commercial Contract Management and Procurement Operations Manager to work with the Oracle Team to explore options for a report and/or controls which might assist with this issue. |  |  | Darran Reid  | 14-Nov-2019      | 31-Jan-2020 |
| CHB CP009b | City Procurement SMT to review process and procedures for maintaining a Corporate Contracts Register.                                                                                     | City Procurement SMT to review process and procedures for maintaining a Corporate Contracts Register.                                                                                     |  |  | Darran Reid  | 14-Nov-2019      | 01-Apr-2020 |
| CHB CP009c | Commercial Contract Management to assure appropriate change controls and spend for contracts is being tracked.                                                                            | Commercial Contract Management to assure appropriate change controls and spend for contracts is being tracked.                                                                            |  |  | Darran Reid  | 14-Nov-2019      | 01-Apr-2020 |

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| Action no  | Action description                                                                                                                                                                                                                                                                         | Latest Note                                                                                                                                                                                                                                                                                                          | Action owner   | Latest Note Date | Due Date    |
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| CHB CP003d | Review possibility of a data import in CityCard system to exemption level 2/3 suppliers negating need to upload VAT receipts.                                                                                                                                                              | City Procurement continues to work with the Lloyds technical team. There was a review on how the information was coming through on our transactions by Lloyds. Work in this area continues but depending on next steps it may need to wait until after the tender process.                                           | Andrew Lenihan | 14-Nov-2019      | 31-May-2020 |
| CHB CP003e | 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. | The specification has been drafted. Head of Accounts Payable has set up a VAT working group to review specification and incorporate lessons learned from this contract of the tender exercise. Officers from departments with lower VAT compliance rates will be invited to future meetings.                         | Andrew Lenihan | 14-Nov-2019      | 31-Dec-2019 |
| CHB CP003f | Procurement Sub have requested that the three lowest performing departments to provide full annotated commentary on all transactions which are marked as a VAT risk so there can be quality assurance that the transactions are being reviewed.                                            | Procurement Sub have requested that the three lowest performing departments to provide full annotated commentary on all transactions which are marked as a VAT risk so there can be quality assurance that the transactions are being reviewed. This report is expected to go to February Procurement Sub Committee. | Andrew Lenihan | 14-Nov-2019      | 31-Aug-2020 |

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| <b>CHB CP010 Corporate Contract for Cash Collections</b><br><br>22-Oct-2019<br>Nicholas Richmond-Smith | <p><b>Cause:</b> There has been a number of local contracts put in place by departments to collect, store, and bank cash transactions. Due to this there has never been a corporate contract put in place with no appropriate service levels agreement, KPIs, or performance monitoring in place for this service.</p> <p><b>Event:</b> Recommendations of an Internal Audit on Cash Collections published in December 2018 highlighted that there was a lack of management and controls on cash collection services provided and recommended there should be a corporate contract manager to ensure performance management moving forward.</p> <p><b>Effect:</b> Internal audit has rated this risk as a moderate assurance with there being a present only an adequate control framework in place but there is weaknesses and/or a lack of compliance which may put some system objectives at risk.</p> |  <p>Likelihood</p> <p>Impact</p> | 6 | A Group Accountant in Chamberlain's department has been assigned as the departmental contract manager. Since creation of this risk the Category Manager assigned to the procurement has left the City Corporation. The Assistant Director of Sourcing & Category Management will assign a new category manager to take this forward the contract manager.<br><br><b>14 Nov 2019</b> |  <p>Likelihood</p> <p>Impact</p> | 4 | 31-Mar-2020 | <br><br>Constant |

| Action no  | Action description                                                                                                                                                     | Latest Note                                                                                                                                                            |  |  | Action owner            | Latest Note Date | Due Date    |
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| CHB CP010a | The 'Income Collections and Banking' audit report to be signed off by the Chamberlain.                                                                                 | The 'Income Collections and Banking' audit report to be signed off by the Chamberlain.                                                                                 |  |  | Nicholas Richmond-Smith | 14-Nov-2019      | 03-Feb-2020 |
| CHB CP010c | Category Manager assigned to this procurement recently left the City Corporation. Assistant Director of Sourcing & Category Management to assign new category manager. | Category Manager assigned to this procurement recently left the City Corporation. Assistant Director of Sourcing & Category Management to assign new category manager. |  |  | Nicholas Richmond-Smith | 14-Nov-2019      | 19-Dec-2019 |

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| <b>CHB CP008 Duplicate Payments paid to our suppliers</b><br><br>14-Jan-2019<br>Andrew Lenihan | <b>Cause:</b> Instances where the City pays the same invoice twice due to human input errors or system faults.<br><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.<br><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. | <br>Likelihood<br>Impact | 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 November/December.<br><br><b>14 Nov 2019</b> | <br>Likelihood<br>Impact | 1 | 01-Nov-2019 | <br><br>Constant |

| Action no  | Action description                                                                                     | Latest Note                                                                                                                                                        |  |  | Action owner   | Latest Note Date | Due Date    |
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| 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 November/December. |  |  | Andrew Lenihan | 14-Nov-2019      | 31-Dec-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 | 14-Nov-2019      | 06-Feb-2020 |
| 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 | 14-Nov-2019      | 31-Mar-2020 |