

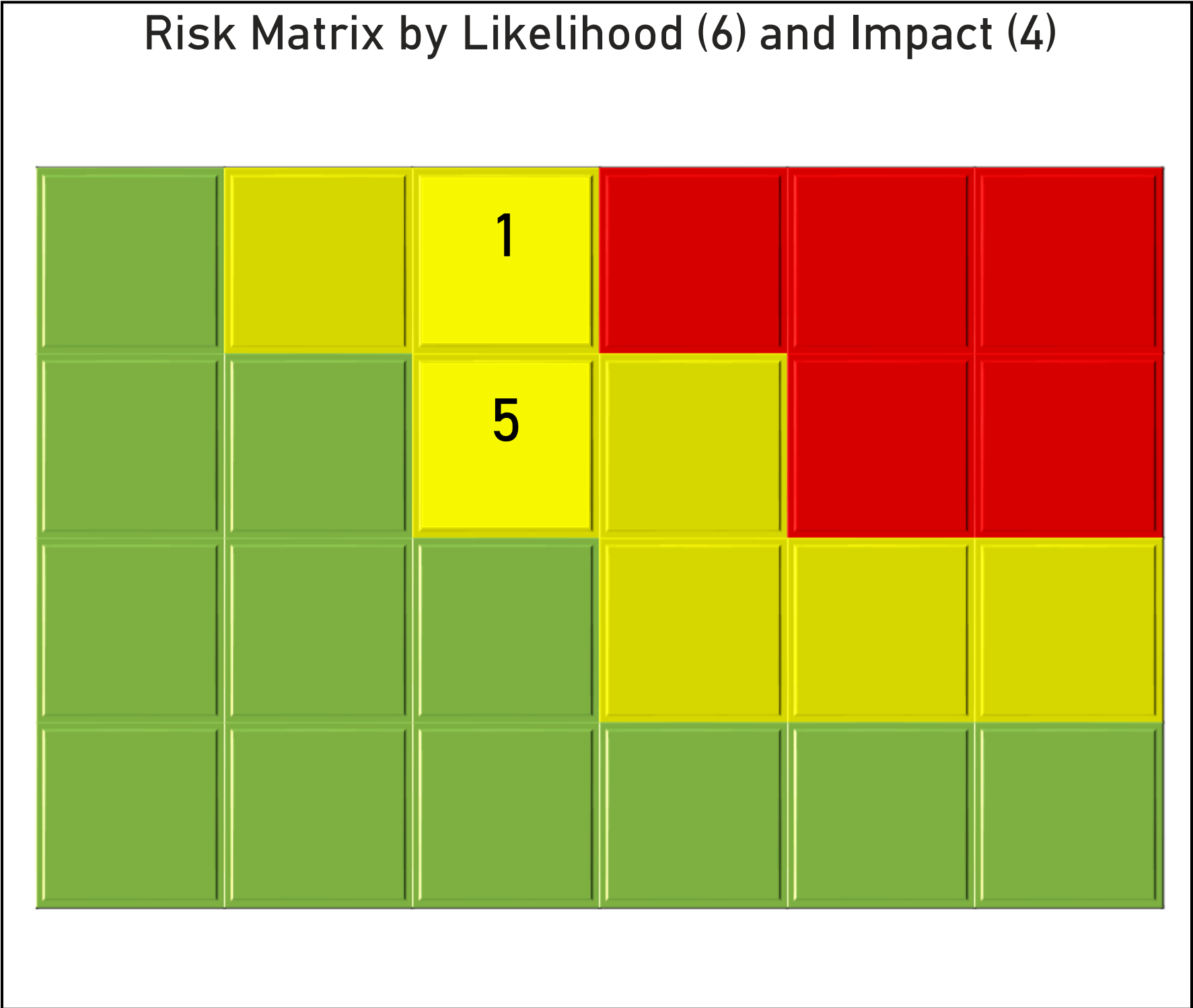


Commercial & Procurement Services Risk Register

CURRENT CLUSTER RISKS	CURRENT RISK SCORE
Climate Change and severe weather affect the costs and availability of goods and services	9
Non-Compliance with Procurement Regulations	12
Procurement Fraud	9
Scotland Excel - Membership does not deliver anticipated benefits	9
Shared Service - Service Level Agreement - Delivery of KPI's	9
Supply Chain - Commodity Risks	9

Number of Cluster Risks

6



FUNCTION	CLUSTER	RISK OWNER	RISK LEAD
Corporate Services	Commercial & Procurement	Craig Innes	Melanie McKenzie

RISK TITLE	RISK DESCRIPTION	CONTROL ACTIONS	TARGET RISK SCORE	CURRENT RISK SCORE	CURRENT LIKELIHOOD	CURRENT IMPACT	TARGET COMPLETION DATE
Climate Change and severe weather affect the costs and availability of goods and services	<p>Failure to embed climate change procurement policy, processes and to consider climate risks in the design life of procurements.</p> <p>Production or supply chain disruptions impact critical services</p> <p>Increase in flooding, heavy rainfall, storms, higher temperatures, a rise in sea level and drought cause damage to supplier stock, result in delivery disruptions and cause depletion of resources, affecting the price of products and the availability of goods.</p>	<p>1. Climate Change/Circular Economy weighting has been incorporated into procurement documents, additional training and guidance is to be developed for Delegated Procurers and rolled out by 30.04.25</p> <p>2. Sustainable Procurement and Community Benefit Policy renewal to take place in 2025, review current considerations within the strategy and the policy on Climate change to support mitigation of risk by 31.12.25</p>	6	9	3	3	31 December 2025

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RISK TITLE	RISK DESCRIPTION	CONTROL ACTIONS	TARGET RISK SCORE	CURRENT RISK SCORE	CURRENT LIKELIHOOD	CURRENT IMPACT	TARGET COMPLETION DATE
Non-Compliance with Procurement Regulations	<p>1. Contract Management - Risk that Strategic & Critical contracts and associated supplier relationships are not managed effectively,, which can have a detrimental impact on the achievement of required outcomes to support commissioning intentions/delivery of LOIP outcomes/achievement of best value.</p> <p>2. Non-Compliance with Procurement Regulations: Governance Arrangements are not fully complied with by Delegated Procurers including seeking approval to go out to market, following procurement procedures correctly and ensuring contracts are recorded on the Contract Register, which could lead to the Council being in breach of Procurement Legislation.</p>	<p>1. Review of all Procurement Documents, Guidance and Procedures to simplify (where possible) and provide clarify for delegated procurers (the review will include adding flow charts/visual prompts to guidance) - to be published on SharePoint by 30.04.25</p> <p>2. Develop model of revised assurance reporting (tied into work on Corporate Assurance Dashboard) by 30.06.25</p>	6	12	3	4	29 June 2025

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Procurement Fraud	Public procurement is vulnerable to fraud and corruption because of the level of expenditure, the volume of transactions, the complexity of the process and the number of stakeholders involved, these vulnerabilities can also make public procurement a target for Serious & Organised Crime.	<div>1. Revised procurement guidance to be issued based upon horizon scanning, and incorporating best practice from sources such as Red Flags Public Procurement (Audit Scotland/Police Scotland) - to incorporate information recently taken from session delivered by Competition and Markets Authority (CMA) and Scotland Excel by 30.04.25</div> <div>2. Delegated procurer training to be updated with procurement fraud assessment requirements by 30.09.25</div>	6	9	3	3	29 September 2025

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RISK TITLE	RISK DESCRIPTION	CONTROL ACTIONS	TARGET RISK SCORE	CURRENT RISK SCORE ▼	CURRENT LIKELIHOOD	CURRENT IMPACT	TARGET COMPLETION DATE
Supply Chain - Commodity Risks	1. Impacts on Supply Chain due to ongoing market impacts/volatility from Brexit/Covid/Invasion of the Ukraine and inflation continuing to affect key commodities such as Utilities, Construction & Construction Materials, Food, Waste, Transport, Fuel, and Manufacturing i.e. Vehicle Purchase 2. Impact on commodity and service costs due to increase in National Insurance Contributions 3. Impact of Tarriffs leading to: - Increased prices for imported goods - Reduced availability of goods - Impact on competitive landscape	1. Monitor price increases and continue to challenge (Track & Report on Increases at each quarterly Strategic Procurement Board) along with reports on market trends - Ongoing 2. Regular review of products (Core Lists) with services & suppliers/Work with Scotland Excel & Framework Suppliers to look at alternatives where shortages/increased pricing are indicated - Ongoing 3. Capital teams to continue to monitor Construction Sector Market volatility and assess the associated impact on procurement strategies including timing and approach - Ongoing. 4. Energy Management teams to continue to monitor and report on the situation with energy markets and pricing - Ongoing. 5. Monitor changes in trade laws, tarriffs & customs procedures - Ongoing.	6	9	3	3	31 December 2025

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Shared Service - Service Level Agreement - Delivery of KPI's	<p>Risk that Commercial & Procurement Shared Service are unable to deliver against agreed KPI's within Service Level Agreement due to capacity/resource limitations, lack of stakeholder engagement and/or limited uptake and engagement with delegated procurer training/guidance. The impacts on the KPI's could include:</p> <p>1. Decreased Local Supplier Spend/Lack of engagement with local supply chain</p> <p>2. Missed opportunities to seek Community Benefits/Fair Work/Carbon Reduction Outcomes</p> <p>3. Efficiency savings not achieved as per targets set</p>	<p>1. Review with Community Benefit Manager in Highland approach and develop a Communication programme and provide further support to DPA's by 30.06.25</p> <p>2. Refresh of Sustainable Procurement & Community Benefit Policy by 31.12.25 (Adoption by Shire/Highland or alternative policy as appropriate)</p> <p>3. Implementation of system for reporting on Community Benefits, Sustainable Procurement Outcomes to support reporting and identification of target areas by 30.09.25</p>	6	9	3	3	29 September 2025

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Scotland Excel - Membership does not deliver anticipated benefits	<p>The ability of Scotland Excel to deliver against their objectives and demonstrate value to the Councils as members during challenging financial, environmental and socio-economic times in relation to:</p> <ul style="list-style-type: none"> - provision of Framework Agreements which deliver value for money/financial efficiencies - delivery of Community Benefits & Sustainable Procurement on behalf of the Shared Service Partner Authorities 	<ul style="list-style-type: none"> • Work at national level (Solace) delivery of further savings through collaboration i.e. Microsoft Licences, Purchase Cards - C&PSS engagement with SXL on potential opportunities - Ongoing input and assessment on opportunities. • To work with SXL on provision of data on opportunities with detail at a Council level to inform participation in saving initiatives. • Continuing focus on added Core Value delivered for all member councils. •Ongoing robust market testing in relation to existing FWA's and also of all new shared service propositions. •Ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts). •Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel. 	6	9	3	3	31 December 2025