

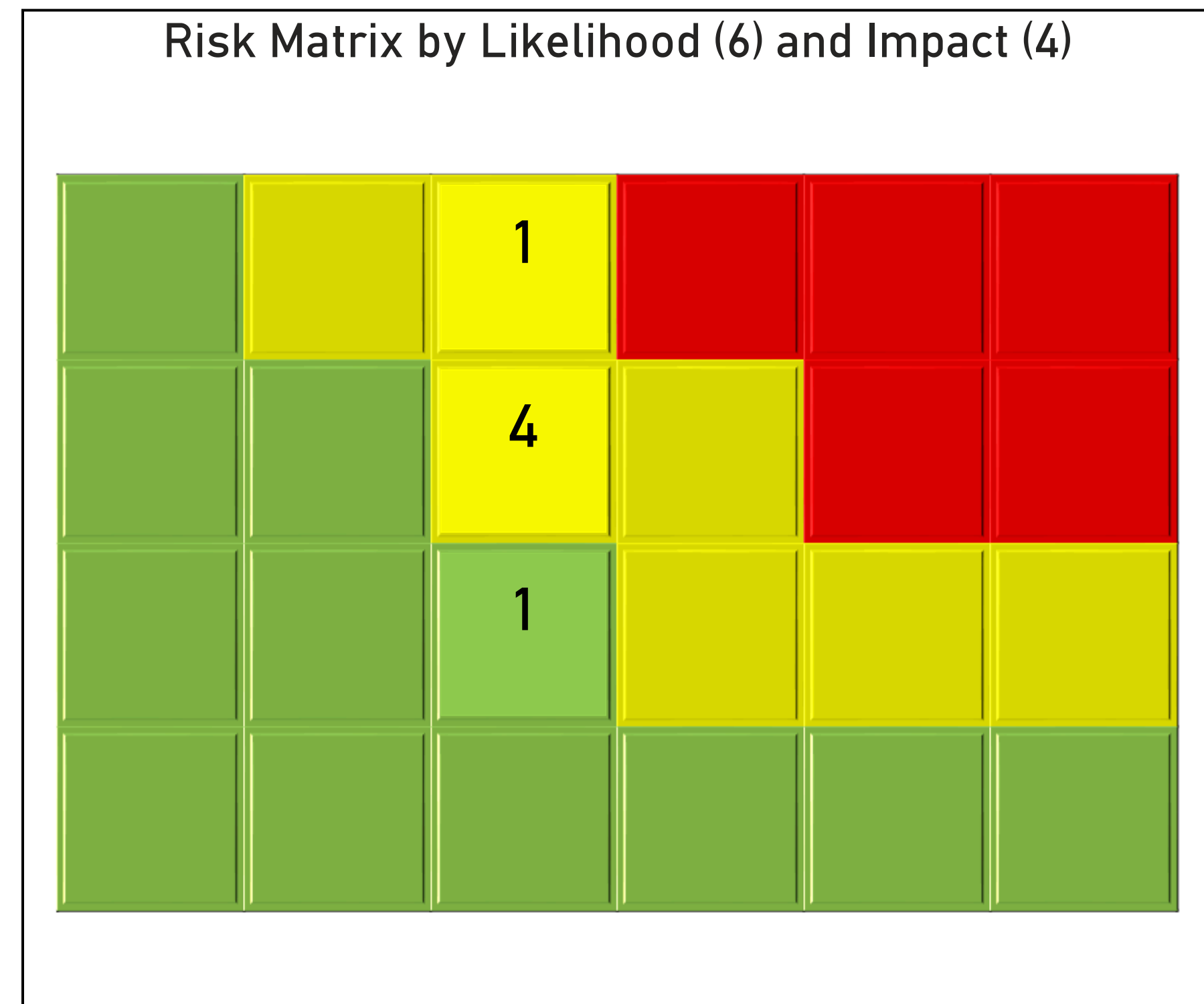


# Commercial & Procurement Services Risk Register

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 Procurement Service Partner Withdrawal	6
Shared Service - Service Level Agreement - Delivery of KPI's	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 30.09.24</p> <p>2. Sustainable Procurement and Community Benefit Policy renewal to take place in 2023, following review of Joint Procurement Strategy - review current considerations within the strategy and the policy on Climate change to support mitigation of risk by 31.12.24</p>	6	9	3	3	29 September 2024

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Non-Compliance with Procurement Regulations	<p>1. Contract Management - Risk that Strategic &amp; 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. Implementation of effective contract management procedures (Supplier Relationship Management) across the organisation clearly stating the need for proper contract administration, relationship management, negotiation and review of contract performance by 30.09.24 (this will include ensuring that all Chief Officers/Service Managers have access to the Contract Register Platforms to enable ease of access to contract information which will support contract administration and management).</p> <p>2. Development/Roll-out of CPSS website which will cut down on maintenance requirements for CPSS/Ensure information is more easily kept up to date, roll out by 30.09.2024</p> <p>3. Issue of a communication to Services with a reminder on key responsibilities relating to procurement and contract management to be shared with Heads of Service, Service Managers and DPA's, C&amp;PSS regularly engage with Services and will continue to do so and use such engagement to further encourage good practice and compliance. Engagement will be conducted through a variety of communication channels. (Communication to be issued by 31.07.24)</p> <p>4. Review and relaunch of Procurement Checklist which will be made mandatory for all regulated procurement to provide greater assurance that processes are being followed correctly by 31.07.24</p> <p>5. Review of all Procurement Documents, Guidance and Procedures to simplifv (where possible) and provide clarifv for</p>	6	12	3	4	29 September 2024

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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.	<p>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 30.09.24</p> <p>2. Delegated procurer training to be updated with procurement fraud assessment requirements by 30.09.24</p>	6	9	3	3	29 September 2024

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Scotland Excel - Membership does not deliver anticipated benefits	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: - 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"> <li>• Work at national level (Solace) delivery of further savings through collaboration i.e. Microsoft Licences, Purchase Cards - C&amp;PSS engagement with SXL on potential opportunities - Ongoing input and assessment on opportunities.</li> <li>• To work with SXL on provision of data on opportunities with detail at a Council level to inform participation in saving initiatives.</li> <li>• Continuing focus on added Core Value delivered for all member councils.</li> <li>•Ongoing robust market testing in relation to existing FWA's and also of all new shared service propositions.</li> <li>•Ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts).</li> <li>•Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel.</li> </ul>	6	9	3	3	31 December 2024



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Shared Procurement Service Partner Withdrawal	<p>Partner to the Shared Service decides to withdraw, which would have potential for impacts below:</p> <ul style="list-style-type: none"> <li>•Potential impact on number of staff required</li> <li>•Employment Claims</li> <li>•Withdrawal Costs</li> <li>•Loss of experienced staff and expertise</li> <li>•Decrease in volume negotiating benefit to remaining councils</li> </ul>	1. Signature of SLA by Highland Council confirming commitment to the Shared Service arrangement by 30.09.24	3	6	3	2	29 September 2024

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Shared Service - Service Level Agreement - Delivery of KPI's	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: 1. Decreased Local Supplier Spend/Lack of engagement with local supply chain 2. Missed opportunities to seek Community Benefits/Fair Work/Carbon Reduction Outcomes 3. Efficiency savings not achieved as per targets set	1. Review with Community Benefit Manager in Highland approach and develop a Communication programme and provide further support to DPA's by 31.12.24 2. Refresh of Sustainable Procurement & Community Benefit Policy by 31.12.24 (Adoption by Shire/Highland or alternative policy as appropriate) 3. SustainIQ Pilot - reporting on Community Benefits, Sustainable Procurement Outcomes to support reporting and identification of target areas, pilot now underway for period up until 31.07.24	6	9	3	3	31 December 2024