

ESPO

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25	Increased competition including Amazon & CCS	1. Possible implications on business volume, reputation, new business and on trading results in the Catalogue business 2. Through collaboration with CCS and YPO; CCS is dominating the management of such contracts (MFDs) including the management of the rebates; ensuring security of the income stream is becoming a threat to ESPO's business model. 3. Amazon: moving deliberately into the public sector space, and focussing on education as a key area, Amazon have expressed interest widely within the market place at becoming more than an ad hoc supplier to schools of all levels, expressing their intention to partner with, or secure suppliers who have tailored offering for the sector.	AD Procurement & Commercial	4	4	16	Treat	1. Working with suppliers and customers to improve the 'offering', facilitating this relationship through capturing and using business intelligence and managing this 'knowledge'. 2. Continue seeking efficiencies through international sourcing 3. Amazon: Continue to market our 'not for private profit' credentials and continue to craft our ranges to offer the very best solution to all tiers of education from our stock and directs position. To explore collaboration with our PBO neighbours to ensure opportunities are not missed in securing market share dominance on key lines such as paper, glue sticks and exercise books. 4. Website Development. 5. Use of BESA benchmarking for ongoing market share data. 6. Continue to make frameworks easier to access. 7. Develop ETL framework offering for diversity of customer base.	1. Changes to key customers' buying (as highlighted at Weekly Trading) 2. Fluctuations in rebate income (as highlighted at Weekly Trading) 3. Stalling of e-commerce uptake trends (as highlighted in IT update) 4. Amazon: Reduction in traditional stationery and direct electrical item sales at category level. 5. Termly customer research and feedback 6. Competitive mapping for frameworks, including new threats from Bloom and CCS expansion. 7. Staff migration to competitors.	5	2	10	Treat	1. Review loyalty scheme – increased requirement on income streams 2. Robust sales and marketing strategy to be developed to reflect the heightened competition in this sector and to support the revised MTFs. 3. Review of Customer Offer 4. MATs package 5. Review termly research. 6. Keep a close eye on developments in the market & particularly on CCS & Amazon. 7. Continue to look out for member authority frameworks that duplicate ESPO's offering. 8. Keep abreast of speculative frameworks that could take business from ESPO frameworks. 9. Continue to explore and maximise exporting opportunities. 10. Review approach to recruitment and retention of key procurement/commercial staff. 11. Consider bidding for the CCS tail spend tender issued in June 2021	AD Procurement & Commercial	Ongoing	01/04/2019 Points 5, 6 & 7 added to List of Current Controls. Points 6 & 7 added to Risk Indicators. 02/12/2019 Additional controls added. 05/03/2020 Further Actions updated. 08/06/2020 Reviewed - no change. 27/11/2020 Reviewed - no further action 17.06.21 Point 11. added to Further Actions. 02/09/21 Reviewed - no updates. 01/03/22 Reviewed - no updates.
48	Strategic IT Succession Planning - imminent departure of key staff	1. Unable to manage systems portfolio 2. Business needs not met 3. Service to customers deteriorates 4. Loss of sales & profits 5. Staff morale adversely affected	AD Operations & IT	4	4	16	Treat	1. Review IT strategy and set out IT ambitions in context of business planning and review skills and organisation in IT accordingly. 2. Create a new structure that enables staff to grow into more senior roles, 3. Work with outside partners to deliver some of the technical support functions required.	1. Budget review 2. HR assessment of current structure 3. Process mapping and IT support/automation 4. Delivery of succession plan	4	4	16	Treat	1. Implement Service Review. 2. Delivery of Action Plan Feb 2022 Assess alternative ERP systems Increased probability to 4	AD Operations & IT	N/A	04/06/2020 Reviewed - Updated 01/10/2020 Reviewed - Updated. IT Strategy under current review - likely to lead to new Action Plan. Review of vulnerable IT solutions underway, plan for remediation emerging. 26/11/2020 IT Strategy presented to the ESPO Leadership Team on 24.11.2020 16.06.21 Action Plan to restructure IT Team completed June 2021 NFA 03.11.2021 Risk score increased from 6 to 8. Feb 2022 Discussion with 3rd party as a potential service provider around System 21 Mar 2022 Staff succession planning being considered to minimise risk and increase resilience for any possible leavers or sickness.
78	Supply chain risk – including corona virus, Brexit and Conflict in Europe	1. 'Stock supply shortages for products or components that are made in Far East. With consequential effects in UK manufacturers production capability. 2. 'Staff shortages in all ESPO functional areas due to high sickness rates. 3. 'School closures to reduce infection spread. 4. 'Overall economic impact on ESPO's business activities due to sluggish restoration of international supply chain.. 5. Buying price risk due to increased freight costs may mean a reduced margin. 6. Driver shortage in the market could affect deliveries to ESPO and our ability to deliver to our customers on time. • Staff complacency and not adhering to controls in place. • All risks as identified previously coming to fruition due to further restrictions introduced. • Supply chain disruption in the event of further lockdowns both in UK and Worldwide. • On-going school closures / partial closures.	Director	4	4	16	Treat	1. 'Set up an internal team tasked with managing ESPO's activities and communications in response to the health crisis. 2. 'Monitor updates and advice from WHO and UK government . 3. 'Maintain regular communications with customers, staff and stakeholders. 4. ESPO continue to promote good handwashing and hygiene practices and have increased the availability of antibacterial wipes and cleaning equipment. Contracted cleaning contractors disinfect door handles and hand rails as part of our contract. 5. Should a member of staff contract coronavirus EPSO will liaise with PHE directly at County Hall and follow any recommendations. 6. Should isolation be required our Smarter Working Policy provides guidance on staff working from home and where necessary individual risk assessments will be completed. In the event there is a requirement for an extended number of staff to work from home all available lap-tops provide to staff across the business will be recalled and distributed accordingly.. 7. Assess suppliers shortages through daily phone contact by Stock Optimisation team.	1. Weekly stock availability reports with supplier shortages and failed customer orders. 2. Weekly 'staff sickness records attributable to the coronavirus. 3. Weekly trading analysis • Continued enforcement of existing controls by managers • Continued staff briefings and reminders. • On-going Covid-19 secure monitoring by ESPO Health and Safety Advisor and LCC.	4	3	12	Treat	1. Align staff policies to LCC guidelines. 2. Assess trading impact on financial forecasts. 3. Understanding of alternative sources of catalogue products. 4. Regular meetings of the internal team 5. Ongoing communications with all relevant parties through web site, weekly comms and formal reports. 04.03.2020 ESPO update on Coronavirus Report discussed at Mgmt. Committee. 06.03.2020 Teleconference with LCC. • All risk assessments and guidance fully aligned with LCC. • Internal meetings took place regularly during height of pandemic. Frequency reduced due to new 'BAU'. Would resume if required. • Comms on-going • Forthcoming work on building modifications and a new people strategy to support new ways of working.	Director	Ongoing	02/03/2020 Reviewed - no change. 05/03/2020 Further Actions Updated. 08/06/2020 New Covid-19 risk assessments and safe system of work created to ESPO building & operational protocols. Site Inspection on 27th May 2020 with further remedial actions required - this needs to go in the box above 07/10/20 * ESPO headquarters was audited by Leicestershire County Council and formally declared 'Covid-19 secure' on 22.06.2020. • Considerable controls are in place to minimise the risk of contracting Covid-19 on site including; increased cleaning schedules, staff inductions, one-way systems, application of microbe shield, face coverings to all public facing roles, strict 2m distancing and increased signage. • The risk of contracting Covid-19 whilst on ESPO property is considered low. • The ESPO depot located in Wales was audited and formally declared 'Covid-19 secure' on 25.06.2020 26/11/2020 24.11.2020 Monthly update on GP Covid-secure status sent to LCC 15.06.2021 Building modifications and people strategy added to further action/additional controls. 02/09/21 Reviewed - no updates.

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78.1above continued Within year' increases in buying prices due to higher import costs could reduce margins – possible failure to suppress 'cost of sales' target and impact on international sourcing programme	Director	4	4	16	Treat 8. Work closely with staff agency partners to source staff across the logistics, procurement and financial sectors. 9. Continue to manage supply chain risk through Supply Chain Panel, PAG and CMG. 10. CMG and Contracts Panel will be made aware of price increases and impacts assessed by Finance 11. Aim to resist price increase 'within year' 12. Mitigate increases through competition, re-sourcing, extensions		4	3	12	Treat		Director	Ongoing	
79	IT Cyber Security. Range of cyber security threats SEE SEPARATE RISK INDEX	Failure to adequately protect ESPO networks, systems and data from malicious attack could lead to a range of potential consequences, including; financial; reputational; operational; legal impacts or other losses.	AD Operations & IT			20	Treat	Range of protections/controls in place, including (but not limited to): 1) Firewalls (outer defences, controlling the border of ESPO network) 2) Automated Threat Protection system (assesses various incoming data (e.g. emails) for potential threats) 3) Antivirus software (Prevents known viruses from executing on ESPO devices) 4) Authentication systems (Controls who can access ESPO systems and data) 5) Staff education (Reduces risk of successful phishing attack) 6) Anti-Ransomware backup solution (prevents hackers from encrypting our backups) 7) External security controls Audit (Highlights areas of concern in ESPO security systems) 8) Penetration testing (probes the ESPO network for vulnerabilities) (Needs further expansion/detail)	1) Firewall logs (contain details on network traffic, including hostile attacks on the ESPO network) 2) Firewall Reports (Daily, weekly, monthly reports on network traffic) 3) External security support partner monitoring (Various support partners issue regular threat alerts) 4) various event logging - systems that monitor and alert on potential concerns (this is a weak area for ESPO and will be reviewed) (Needs further expansion)	4	4	16	Treat	1) Multi-factor Authentication for remote access 2) PKI server for device authentication 3) Revised password policy 4) New Remote Working Policy 5) Penetration Testing 6) DR Testing 7) Staff Training 8) Staff awareness 9) CyberEssentials+ 10) InfoSec Policy Review 11) CyberSecurity Support contract 12) System 21 upgrade 13) Security Health check 14) Patching Policy 15) NCS Active Cyber Defence programme 16) CyberSecurity Risk Register 17) Emergency support partner 18) LCC Audit Response 19) Cyber Security Roadmap 20) CyberSecurity Incident Response The above are either in flight or planned. A supplementary document "ESPO IT Security Plan - April 2021" expands in detail....	AD Operations & IT	Q1 2021/ongoing	01/10/2020 - new entry 26/11/2020 24.11.2020 Liaison with LCC on cyber security through regular meetings 13.4.21 LCC Internal Audit report on IT controls gave substantial assurance ITDG governance terms of reference established 14.4.21 7.6.21 Security Report published to respond to email phishing security breach & password re-set. 11.6.21 Weekly Comms guidelines on Cyber Security 7.6.21 Liaison with LCC 17.06.21 Promoting and creating the right culture for reporting mistakes and refreshing Disaster Recovery (Daisy) scenario added to further actions. 23.06.21 LCC Cyber Security Audit commenced 19.08.21 With HR make cyber security training compulsory with refresher whenever there is an incident 5.5.21 ESPO IT Security Plan updated 27.10.21 LCC Audit complete being reviewed by Matt Davis Jan 2022 Cyber Risk Register created Jan 2022 Emergency support partner in place
79.1	...above continued		AD Operations & IT			20	Treat			4	4	16	Treat	...Recommend to create a Cyber Security Risk Register to track and manage related Risk, to feed into main Corporate Risk Register. (Further Expansion required for this Risk) 21. Promoting and creating the right culture for reporting mistakes 22. R efreshing Disaster Recovery (Daisy) scenario 28.06.21 Disaster Recovery. Plan to run an organisation-wide scenario in 2021 on loss of systems 28.06.21 Culture & Communications. Promote a culture of openness and honesty in managing individual conformance	AD Operations & IT	Q1 2021/ongoing	

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80	The Green Paper for Transforming Public Procurement contains areas of potential risk for ESPO. Lack of clarity around proposals at this stage adds to the concern. Main areas of concern are: Proposal for more flexible procurement procedures may devalue the protection afforded by frameworks. Customers may decide to procure themselves. More flexible procedures lacking detail - risk to ESPO if it attempts to pioneer use of these. Increased transparency rules bring greater administrative and compliance burdens and unclear expectations from Cabinet Office exposes contracting authorities to litigation risk.	Customers may choose to undertake their own procurements and not use frameworks - fall in rebate income. Risk of court challenge if new procedures used incorrectly. Current procurement structure may need reassessment to ensure compliance with transparency rules. Risk of being sued for inappropriate transparency or for not being transparent enough.	AD Procurement & Commercial	5	3	15		Monitoring contracts finder/ find a tender and closer monitoring of customer procurement pipelines Better engagement through CRM'S Continued engagement with legal advisors to gauge customer tendencies Canvass opinion from member authorities to understand what it means to them/what their intentions are. Manage customer messages to intensify the 'safe framework' message. ESPO stick with Open Procedure until new flexible procedures are clarified and tested. Ensure procurement team is adequately resourced to ensure transparency compliance. Create a Transparency/Governance unit within procurement. Update processes & procedures to reflect new requirements.	Fall down in number of customers using our frameworks. Insufficient resource to manage increased administration required.	5	3	15		1. Develop ESPO's procurement strategy to take account of the newly released National Procurement Policy Statement 2. Work closely with LCC and other PBOs to develop joint approach. 3. Through chairmanship of the PBO forum ensure that representatives from the Cabinet Office attend to provide regular updates on policy in relation to the Procurement Bill developmental 4. Ensure that ESPO has representation on the planned Cabinet Office training advisory body for new procurement rules - push for central funding. 5. Put in place an ESPO procurement steering group to support the transition to new ways of working 6. Ensure adequate legal resource is in place from LCC to support the transition to new procurement rules.	AD Procurement & Commercial		17.06.21 Further actions added. 02/09/21 Reviewed - no updates. 01/03/2022 - additional control added

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