

ESPO

Risk Ref	Category	Risk Description	Consequences / Impact	Risk Owner	Inherent Risk Score			Risk Action Tolerate / Treat / Transfer / Terminate	List of Current Controls / Actions Embedded and operating soundly	Risk indicators to be used to monitor the risk	Residual Risk			Risk Action Tolerate / Treat / Transfer / Terminate	Further Action / Additional Controls	Action Owner	Action Target Date	Inherent Risk	Residual Risk	
					Impact	Likelihood	Score				Impact	Likelihood	Score							
1	IT	Major systems failure (IT, communications etc) preventing service delivery	1. Immediate cessation of almost all office and warehouse functions 2. Failures in processing customers' orders, in providing deliveries to customers, in replenishing stocks and in providing procurement services and support. 3. Loss of reputation with customers leading to order cancellations and longer-term reduction in turnover. 4. Major financial losses from above consequences resulting in a possible annual trading loss. 5. Non-compliance with EU procurement regulations with resulting potential legal action. 6. Cyber Security Breach	AD Operations & IT	5	4	20	Treat	1. A range of approved IT policies that encourage and support the correct use of systems by users and signed acceptance of such policies. 2. Disaster recovery contract with Daisy providing for recovery of IT systems/data and for alternative office accommodation facilities together with annual testing of recovery procedures. 3. Back up external communication link and external power supply 4. A contract with Iron Mountain for the daily collection and off-site secure data storage of back-up records. 5. Use of UPS protection for the power supply to essential IT equipment/servers with additional automatic back up of IT equipment power supply using a generator (regularly tested). 6. Fire suppressant gas supply to server room. 7. Redundant air cooling capacity to server room 8. Maintenance and support agreements for all essential equipment and major IT systems 9. Full and recoverable records of all IT systems, software, equipment and support/maintenance. 10. Firewall protection for all external facing systems with regular security testing and software updating. 11. Replacement warehouse wifi due to be installed Aug 2022. ITDG governance terms of reference established 14.4.21. 7.6.21 Security Report published to respond to email phishing security breach 21.1.2022 New IT cyber security risk register created 16.11.22 LCC Audit on ICT Controls gave substantial assurance	1. Satisfactory annual disaster recovery test results with Daisy. 2. Generator testing log 3. IT Section records of frequency & consequences of systems & equipment failures. March 2022 Reduced likelihood to 4	4	3	12	Treat	08.02.24 Successful DR testing took place Dec 2023. System21 and associated systems were restored to the Recarta Data Centre, Windows servers restored to Daisy DR Centre. This demonstrates that the current backup/restore/recover processes are effective, performant and can be delivered in a timely manner. Additional staff attended the DR Test exercise, reducing the reliance on individuals in the event of a genuine DR. IBM Power 8 server which runs System 21 is end of life May 2024. The proposed move to cloud based SaaS is subject to a compliant procurement route. The risk probability has therefore been increased to 3. The mitigation is around service agreements with Recarta to support any hardware failure until a decision is made. The fall-back position is to replace the server with a Power 10 server, but time will have to be allowed for this to be procured.	AD Operations & IT	Sep-20	14.08.24 Virgin Media have now installed a new fibre internet line to ESPO, meaning that there are now two distinctly separate internet connections to the ESPO office. These will now be configured into Failover mode, such that if the live line fails for any reason, it will seamlessly switch to the alternate connection. 18.11.24 Technical issues have delayed the go live of the internet failover connection - work is ongoing but the risk is not yet reduced. The SaaS solution has now been compliantly procured, meaning that we will now commence a project to migrate our on-prem System 21 to the cloud based solution. This will ultimately reduce both the impact and the likelihood of a major systems failure in this area. Go live is currently being planned for February 2025. The delayed implementation date means that a service extension is required for the existing hardware, to ensure adequate cover until we are fully migrated. This has now been put in place. DR Testing took place in late September 2024. Systems were successfully restored, and further information charing took place within the DR team to ensure wider experience of the process, and reduce reliance on individuals.	High	Med
2	Stores Trading and Brand	Web - Failure to meet customers' expectations or requirements leading to loss of business	1. Reduction in the sales of products and use of services. 2. Incomes fall below economic levels required to support current operational needs. 3. Threat to MTFS	AD Business Development	5	3	15	Treat	1. Rolling review of Customer Offer 2. Web development digital roadmap 3. Various customer satisfaction surveys and analysis of feedback. 4. Weekly reviews of operating and financial KPIs 5. Benchmarking against other public & private sector competitors. 6. Compliant procurement 7. Customer Groups project successfully completed. 8. Klevu search implemented. 9. Digital Strategy Group created to review customer feedback and to incorporate into digital strategy	1. Key website operating KPIs (visits, transactions, sales, procurement downloads, CAA, COA) 2. Customer feedback and satisfaction levels 3. If analysis of competitor websites identifies key new functionality or services being offered. 4. Digital development roadmap	4	3	12	Treat	1. Website development is ongoing as per digital roadmap. 2. Ensure that we are always on a supported version of Adobe Commerce. 3. Continue delivery of PushOn rolling improvements. 4. Deliver customer experience (and My Account) functionality (Q4 24). 5. Continue SEO optimisation. 6. E-procurement integration into website launched with SIMS and moving forward with IRIS 7. New digital marketing following up on abandoned carts/baskets	Head of Marketing	Ongoing	12.01.25 Reviewed - Controls/actions and risk indicators updated. E-procurement project progressing with SIMS now launched and IRIS Financials due to go live shortly. Next update of Adobe commerce due April 2026.	High	Med
25	Stores Trading and Brand	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 FWs (Technology, 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 Business Development	5	4	20	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 and developing partnerships. 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 customers, from our stock and directs position. 4. Website Development roadmap. 5. Use of BESA benchmarking and insight for ongoing market share data. 6. Continue to make frameworks easier to access. 7. Further develop ETL SS offering for diversity of customer base. 8. Work with DFE to recommend and promote our offer. Proposals shared with DFE showing savings on key categories or products, value added by MATs package and MSF. 9. BESA continues to provide challenge to DFE for their proposals to work with Amazon.	1. Changes to key customers' buying (as highlighted at Weekly Trading). 2. Fluctuations in rebate income (as highlighted at Weekly Trading). 3. E-commerce uptake. 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 and CCS expansion. 7. Staff migration to competitors. 8. Market insight data from BESA, C3 and EdCo. 9. Customer ordering patterns, average order value, next day delivery etc.	4	4	16	Treat	1. Review loyalty schemes including MATs Package and development of new corporate package - increased requirement on income streams. 2. Robust sales and marketing strategy developed to reflect the heightened competition in this sector and to support the revised MTFS. 3. Review termly research. 4. Keep a close eye on developments in the market. 5. Continue to look out for member authority frameworks that duplicate ESPO's offering. 6. Keep abreast of speculative frameworks that could take business from ESPO frameworks. 7. Continue to explore and maximise exiting opportunities. 8. Review approach to recruitment and retention of key procurement/commercial staff. 9. Consider bidding for the CCS tail spend tender next time issued. 10. Continue to work with DFE on our offer and proposals to show savings to schools on specific products. 11. Continue to focus on price competitiveness.	AD Business Development	Ongoing	12.01.25 Reviewed - Controls/actions and risk indicators updated. - DFE proposition to offer all schools access to Amazon Business via YPO solution has gone quiet and BESA believe it has been shelved but we have seen DFE promote Amazon alongside ESPO, CCS and YPO. We continue to engage with DFE and BESA. - DFE have conducted some promotion of ESPO, comms/webinars to show ESPO's competitiveness, Procurement Act etc. - Continue to work with BESA to challenge DFE/Amazon proposal. The team continue to regularly benchmark key products. - DFE are benchmarking products using Skuuuile. - Discussions underway with CCS regarding ESPO featuring on their Tailspend solution. - Technology project underway to offer products on espo.org	High	High
70	Operations and H&S	Driving or operating over the alcohol or drug limit	1. Impaired judgement leading to accident 2. Possible injury or death to other road users and pedestrians. 3. ESPO reputational damage	AD Operations & IT	5	3	15	Treat	With Cause' tests can be made at any time. Driver signs daily report to confirm he is fit to drive. Agreed a local policy with Trade Unions on 11/8/2021 where there is suspicion of excess alcohol being consumed by any employee. A breath test kit will be used to determine alcohol content. ESPO have a zero tolerance for any alcohol. 20.10.2021 new Random D&A deployed using Hampton Knight to detect alcohol and drugs.	Road Traffic Accidents Injuries to customers or drivers Contact from the police	4	4	16	Treat	26/11/2020 24.11.20 LCC proposed random D&A testing policy under review 28.5.2021 New drug & alcohol testing regime being introduced via LCC from Sept 2021. Feb 2023 Increased probability to 4 in the light of recent test results. Increased probability to 3. Feb 2024: New testing agents in place via LCC contract - DNA Workplace. Random testing of ESPO staff continues quarterly across all 3 shifts - delivery drivers tested each time, minimum 4 times per year. Random testing conducted in Feb 2024 returned 1x non-negative result for cocaine (warehouse operative) - Substance misuse policy implemented, 4 week support plan put in place with regular assurance testing agreed. H&S suspension in place for duration of this plan in line with LCC policy.	AD Operations & IT	Implement testing regime within 1 month of LCC announcing new testing protocol	Random testing of ESPO staff continues quarterly across all 3 shifts - delivery drivers tested each time, minimum 4 times per year. With cause testing remains in place. Next random testing scheduled March 2025. 18.12.24 - random D&A testing undertaken (BL shift) - 3x drivers, 7x warehouse operatives tested. All 0 (zero) when breathalysed. No suspicion from the tester RE: substance misuse. Samples sent to laboratory, anticipated to be returned by 23.12.24 Update: 09.01.25: 1 non-negative result for cannabis returned by agency warehouse operative. This person had already been let go due to low volumes. Agency provider informed and person will not be permitted to reattend site. August 2024: Pallet push through incident occurred, contributing factor was FLT driver (agency) under the influence of cannabis (with cause test conducted post incident). Internal audit of manager awareness and policies in place conducted confirming robust understanding of signs and symptoms of drug or alcohol misuse and action to take. Continuation with random testing programme. Quarterly stakeholder meetings continue with LCC to inform and review policy and practical application	High	High
78	Supply chain	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. Local 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. Weekly trading analysis 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 ESPO 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 possible individual risk assessments will	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	4	16	Tolerate	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	10.5.24. Widespread cost implications related to global shipping disruptions through the Red Sea route have not materialised and the situation now appears to have stabilised. Stock availability remains high (98.5%) as the supplier market has reacted accordingly to managing the increased lead times as containers take the longer route into Europe around Africa.	High	High

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79	IT	IT Cyber Security. Range of cyber security threats (Note - separate IT specific risk register maintained and overseen by internal ITDG committee)	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	5	4	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)	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	IT action plan created and enhanced following the cyber audit by LCC. This includes controls in place, and enhancements, including: - Creation of cyber security roadmap, specific risk register and incident response processes - New remote working policy including multi-factor authentication, revised password policy and technical measures for device authentication. - Penetration Testing - Disaster recovery policy, testing and third party support - Staff training and to improve awareness, competence and enhance the positive culture of reporting of issues/mistakes - Contracts with specialist 3rd parties to provide regular technical and emergency support - Working towards 'CyberEssentials+' accreditation - Maintenance and development of internal security procedures (e.g. the 2022 version upgrade of our ERP system) Sept 2022 Cyber Insurance policy extended for 1 year. Oct 2022 LT approved Incident Response Policy. 08.02.24 Various Job Descriptions have been amended to reflect the increased importance of CyberSecurity and establish responsibilities in this area. DR Testing in December 2023 and Sept 2024 demonstrates that current process is robust and effective. Staff Awareness training is now embedded across ESPO, and signs suggest this is having a positive effect. All user security measures (antivirus, anti-malware etc) have been migrated to MS Defender, additionally Defender drives our software patching process, alerting us immediately when anything requires update. ESPO's Microsoft Secure Score increased slightly to 78%, well above the average for similar organisations (42%). Work continues towards CyberEssentials+ accreditation.	AD Operations & IT	Q1 2021/ongoing	14.2.25 Work continues to remove obstacles to CyberEssentials accreditation. The revised IT Policy has been approved, and work has commenced on a replacement for the Tracker utility (currently blocking CE+ accreditation). 14.08.24 Forthcoming publication of the new IT Policy will tick a significant box regarding CyberEssentials+ accreditation. A replacement for the IPM Tracker utility has now been introduced. This enables us to scrap the Tracker utility, which is another obstacle to CE+ accreditation. Microsoft Secure Score is now at 78% and remains consistently high (meaning more secure). Penetration Testing for 2024 is currently in procurement and should be completed in the Autumn. The Annual Disaster Recovery testing was undertaken in September. ESPO's cybersecurity stance remains strong. Progress has been made with the migration of other systems still residing on Windows 2012R2 servers, and these should be completed by end of 2024. Disaster Recovery Testing was successfully completed in Sept 24. Microsoft Secure Score remains at 78%, which is very high (meaning we are reasonably secure, and aligned with best practice). Our Security Incident and Event Monitoring Service was put on a sound contractual footing with a new compliant contract put in place via G-Cloud.	High	High
80	Procurement - Compliance	The Procurement Bill 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. There is also a real risk that suppliers could become more emboldened to mount legal challenges to procurement decisions under the new regime and until it is fully trialed and tested. The new Regulations will remain under review and therefore subject to change for at least two year after being implemented.	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	Treat	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	Treat	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 development 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. 7. Ensure new processes and governance procedures remain under review and in-step with changes to the new Regulations. 8. Continue to invest in staff training and development.	AD Procurement & Commercial	14/02/24 Bill now confirmed for October 24 implementation. Procurement Steering Group having completed a read through of the new Act. Training sessions identified for all procurement staff to take place March - June 24. 15/8/24 All Procurement Staff have completed the online training provided by Cabinet Office. Also 2 sessions covering 3 days with legal Partner are in progress. 13/11/24 update - Act implementation delayed to Feb25. Work on updated processes and documentation to reflect the new Act is nearing completion. This will be assessed by Internal Audit and independent legal partner. 18/02/25 update. Staff training complete. Legal partner assessment of documents and processes underway and expected to be completed by go live date for new regs.	High	High	
88	Procurement - Trading	Framework CRM database - Supporting £9M+ rebate and £2.5bn+ customer spend Risk of high dependence on bespoke ESPO developed system and knowledge with one individual within IT.	ESPO risks are: 1. Reduced visibility of framework sales data/MI, by customer/sector etc. 2. Reduced ability to forecast rebate income ranges. 3. Potential to adversely impact rebate income. 4. Increased manual workload for procurement teams. 5. Member dividend is based on top frameworks which will not be ascertainable if there is no access to the database. 6. Current database doesn't hold framework details on MSTAR, Washroom Services and CCS collaborations due to difficulties with entering data.	AD Procurement & Commercial	5	4	20	Treat	1. Tested process for system use. 2. Some data is held within procurement teams at supplier level only. 3. Finance and Commercial teams hold high level framework rebate information. 4. Spirit project to expand data management is currently underway.	1. Actual income to be monitored against forecast and variances reviewed. 2. Delays in provision of MI and/or agreement on rebate levels with suppliers. 3. Reviews between Commercial team and Procurement teams. 4. Reviews between Commercial and Finance team. 5. Status of the Spirit project.	4	3	12	Treat	1. Implement new Spirit system. 2. Build a centrally held pipeline for customer spend. 3. Consider development of a supplier portal for uploading of MI from 2,500+ suppliers. 4. Consider automation of raising supplier invoices via Spirit CRM. 5. Consider business wide rollout of a CRM system. 6. Consider appointing a supplier to provide a rebate portal.	Head of Commercial	Nov 2023 no updates	High	Med	
96	Energy	Initial period of contract with Optima will end in May 2027	Current Optima system continues to serve its purpose, namely to enable gas billing and effective operation of the bill validation service. However long term use of the system needs to be considered, particularly with initial expiry of the contract in May 2027. A decision on future strategies will need to be taken in 2025. Any implementation of a new/replacement system would greatly heighten current risk levels.	AD Procurement & Commercial	5	2	10	Treat	Ongoing contract management of Optima and regular monitoring of performance of system	1. Deteriorating financial position of Optima 2. Decreasing service levels 3. Increased number of system issues	5	2	10	Treat		Head of Commercial	31.3.25	Med	Med	
98	Governance and financial	Government back office spend and consultancy spend reduction targets	In 2024 the government announced £5.5 billion worth of savings in 2024-25. The Chancellor is launching a multi-year Spending Review to conclude in Spring 2025 and write out to departments shortly thereafter. The Spending Review will set spending plans for a minimum of three years of the five-year forecast period. Departmental expenditure limits for 2025-26 will be set alongside the Budget in October, which will also confirm control totals for 2024-25. Current known government targets are to reduce Government back office spend by 2.5% which will likely cause impacts on framework revenues. It's likely both Consultancy and Strategic HR frameworks will be those mostly affected. In addition in November 2024 the government issues new controls across government to curb consultancy spend saving £1.6bn. The new controls will provide far greater oversight for the government, with ministerial sign-off required for any consultancy spend over £600,000, or for contracts lasting more than nine months, while consultancy spend over £100,000, or that lasts more than three months, will now need to be signed off by the relevant permanent secretary. 1. Reduced framework revenues - potentially £250k-£1m impact.	AD Finance	5	4	20	Treat	1. Regular discussions and relationship building with various Government departments. 2. Offset any losses through growing frameworks with other customers and increasing framework offering.	1. Monitor Framework spend trends on Consultancy and Strategic HR spend.	4	3	12	Treat	1. Increase ESPO's presence within the framework market. 2. Build on existing relationships with Government departments. 3. Seek to develop new framework offerings	AD Finance	01/12/22	14.02.25 - Regular monthly reviews of framework spend by supplier and customer occurring. Framework sales campaign under development for 2025/26 year.	High	Med