

Risk Number: 026**Risks identified:****Procurement Directives and Contract Regulations increase potential for supplier challenge.**Risk categories (such as *Reputation, Governance, Finance, Operational*): **Operational and Reputational Risk****Possible consequences if the risk were to emerge?**

1. If challenge arises during the procurement exercise then this could delay the procurement and/or result in its abandonment.
2. If challenge is 'official' and through the courts this would involve considerable resource and expense to defend.
3. Supplier challenge could devalue a potential framework agreement benefit to the sector.

Raw Risk Assessment:

Predicted impact of the risk: (Scale 1–5, see Guide)	Predicted likelihood of the risk: (Scale 1–5, see Guide)	Total risk score: (Impact x likelihood, Scale 0-25)
5	3	15
Explanation for rating:	Explanation for rating:	Low / Medium / high
		High

Control Measures:**Actions to reduce the likelihood and severity of the risk to an acceptable level?**

1. All procurements now subject to either an Outline Business Case and/or Full Business Case which require approval at a Pre-Procurement Panel.
2. All full Business Cases are subject to a full Business Risk Assessment which will highlight any potential residual risk.
3. Residual risk issues will be referred initially to SMT and thereafter to COG and/or Management Committee as deemed appropriate.
4. All procurement exercises are subject to a final Contracts Panel approval to ensure full procurement compliance prior to any award announcement.
5. All procurement awards are fully de-risked in terms of any potential for a remedy of ineffectiveness – by ensuring full compliance with the Remedies Directive in relation to information shared with both successful and unsuccessful tenderers.

Risk indicators to be used to monitor the risk? (These provide early warning, minimum of 3)

1. All supplier complaints, requests for debriefings, FOI requests and/or formal and informal challenges are notified to the Director or Deputy Director.
2. Monitoring of ESPO compliance with procurement timetabling to manage reduction in levels of disaffection from both demand and supply side.
3. Monitor case law developments in the sector and network with other PBOs for their 'lessons learnt'.

*ESPO Major Risk Record (MRR)**Risk Owner: E. Walsh**Risk Number: 026*

Residual Risk Assessment following Control Measures:		
Predicted Impact of the risk: (Scale 1–5, see Guide)	Predicted likelihood of the risk: (Scale 1–5, see Guide)	Total risk score: (Impact x likelihood, Scale 0–25)
5	2	10
Explanation for rating:	Explanation for rating:	Low / Medium / high
		Medium

Further action required to reduce risk:

1. Introduce further standard operating procedures to ensure consistency in market engagements ie standard contract templates.
2. Introduce contract/commercial 'refresher' training in-house for procurement staff.
3. Include new Social Value considerations in all EU Service Contracts.

Recommendation to Director/Committee:

The actions identified all remain relevant and on-going

Signature:

EA Walsh

Date: 13/03/2013

Score Summary:

Raw Risk Score	Risk Tolerance	Residual Risk Score	Effect of Internal Controls
15/25	10/25	10/25	5/25