

Appendix 2**Risks identified:**

Major Systems Failure (IT systems, power supply, communications, etc.) preventing service delivery.

Risk categories (such as *Reputation, Governance, Finance, Operational*): **Operational**

Possible consequences if the risk were to emerge?

1. Immediate cessation of almost all office and warehouse functions with possible evacuation and closure of the premises.
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.

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)
4	5	20
Explanation for rating:	Explanation for rating:	Low / Medium / high
Not likely to threaten the consortium existence	Most frequent cause of continuity failures	HIGH

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

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 ICM Business Continuity Services Limited providing for fast hardware replacement of all priority servers, 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. RAID or similar redundant protection for servers' disks.
12. Regular reviews, maintenance and cleaning of server room facilities.
13. Use of professional risk advice to review and update IT Business Continuity Plan.
14. Escrow agreements in place for Infor and Indigo commercial software.

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

1. Satisfactory annual disaster recovery test results with ICM.
2. Generator testing log
3. IT Section records of frequency & consequences of systems & equipment failures.

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)
2	3	6
		Low / Medium / high
		Low

Further action required to reduce risk:

1. Re-consider and review the mutual support agreement with similar local authority consortia in the event of a major disaster.
2. Keep under review vulnerability of ESPO web sites to external service provider failures.
3. Keep under review maintenance agreements and reserve machine(s) to ensure priority servers are least vulnerable.
4. Keep under review disaster priorities and possible off-site cover for the telephone system/server.
5. Keep under review UPS and generator protection for additional PCs and printers to maintain minimal operations.

Recommendation to Director/Committee:

No further action

Signature: Clive Pitt

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Score Summary:

Raw Risk Score	Risk Tolerance	Residual Risk Score	Effect of Internal Controls
20/25	10/25	6/25	14/25