

Shared Service Risk Register Monitoring

Date	6 May 2021															
Risk		Raw Likelihood	Raw Impact	Raw Score	Raw Grade	Residual Likelihood	Residual Impact	Residual Score	Residual Grade	Risk Velocity	Movement	Key Controls	Further Actions	Risk Appetite / Tolerance	Risk Owner	
1	<p>Governance</p> <p>What is the Potential Situation?</p> <p>The new shared service governance arrangements are ineffective</p> <p>What could cause this to arise?</p> <p>There is a lack of clarity over the services to be delivered, the standard of service delivery required and the consequences of service failure. Resources are not aligned to service delivery or standards. There is insufficient or ineffective reporting on performance, cost and risk. There is a lack of clarity on accountability and responsibility for decision making.</p> <p>What would the consequences be?</p> <p>Failure to secure best value through ineffective deployment of resources and ineffective procurement, non-compliant statutory reporting, employee relations and health & safety issues, customer dissatisfaction, strained SSSC/CI working relationship, failures in physical, cyber and information security, failure to deliver legal obligations and reputational damage</p>	4	4	16	H	2	3	6	M	Med	↔	<p>In Place:</p> <ul style="list-style-type: none">i. joint shared services strategyii. Management agreementiii. Specifications of Service.iv. Risk register and risk management process.v. Performance measures and service standardsvi. Regular meetings of Review Boardvii. Regular meetings of shared service oversight group	<p>Further Actions:</p> <ul style="list-style-type: none">i. Finalise reporting to Review Boardii. Develop assurance maps for Service Review Boardiii. Annual report to governing bodiesiv. Internal audit assignment	<p>Appetite: Cautious Target: Medium Tolerance: Medium</p> <p>Residual risk in accordance with target and tolerance.</p> <p>Rating: Green</p>	Review Board	
2	<p>Organisational Divergence</p> <p>What is the Potential Situation?</p> <p>The SSSC and CI exhibit a divergence of priorities / values / standards /culture leading to misalignment of resources and lack of commitment to shared goals resulting in failure of arrangements and breakdown of shared services</p> <p>What could cause this to arise?</p> <p>Differences in the political and financial environment within which each organisation operates leading to diverging priorities. Impact of organisation cultural and structural differences on the operation and perception of shared services leading to different levels of organisational commitment to successful shared services. A change of Board / Council members or executive management changes the appetite for shared services. Perception or reality that one organisation has more influence or is more favourably treated than the other. A significant difference in organisational perception of shared services demonstrably already exists.</p> <p>What would the consequences be?</p> <p>Shared services may not be responsive to changes in the operating environment of SSSC, CI or both. The delivery of SSSC / CI priorities may not be effectively supported. There may be a failure to agree on broad principles such as technology employed, data / intelligence structure and the implementation of policies and procedures leading to dissatisfaction with the service. Reputational damage as a result of the failure of shared services. Damage to the motivation and morale of staff working in shared services.</p>	5	4	20	VH	3	3	9	M	Med	↔	<p>In Place:</p> <ul style="list-style-type: none">i. Management agreementii. Specifications of Service.iii. Risk register and risk management process.iv. Performance measures and service standardsv. Customer feedback mechanismsvi. Shared Service Review Boardvii. Shared service oversight group	<p>Further Actions</p> <ul style="list-style-type: none">i. Joint shared service planning and budgeting	<p>Appetite: Receptive Target: Medium Tolerance: High</p> <p>Residual risk in accordance with target and below tolerance.</p> <p>Rating: Green</p>	HoSS	

3	Terms and Conditions Variances What is the Potential Situation? Staff working in shared services are employed either by the CI or SSSC. Terms, conditions, pay and grading may differ between organisations and this may cause employee relations issues within shared services but also within the wider respective organisations where conditions are viewed as more favourable in one organisation compared to the other. What could cause this to arise? Pay and grading reviews, different approaches to pay awards and terms and conditions negotiations, differing access to training, development and non-financial employee benefits. What would the consequences be? Reduced performance, inter-organisation flexibility, potential employee relation issues and reputational damage. Damage to the motivation and morale of staff working in shared services.	4	3	12	M	3	2	6	M	Med	↔	In Place: i. Joint pay award discussions ii. Similar pay scales (but different underlying grade evaluation) iii. Shared service oversight group as a discussion and liaison forum	Further Actions: i. Both organisations scoping a pay and grading review	Appetite: Receptive Target: Medium Tolerance: High Residual risk in accordance with target and below tolerance. Rating: Green	HoSS
4	Digital / ICT Platform What is the Potential Situation? Shared services are required to operate across the CI and SSSC digital / ICT platforms and networks. Differences in technology and difficulties in effectively collaborating across the two platforms / networks is detrimental to the efficiency and effectiveness of the services provided. What could cause this to arise? The proposed move to CI staff on CI platform and SSSC staff on SSSC platform may disrupt working arrangements and effective communication between shared service staff and create difficulty accessing the finance and payroll / HR system. Each organisation using different applications, different licensing, reporting and analytical software etc. What would the consequences be? Reduced efficiency and effectiveness of services, customer dissatisfaction, financial loss through fines for non-compliance, fraud or error. Damage to the motivation and morale of staff working in shared services.	4	4	16	H	3	3	9	M	High	↔	In Place: i. Shared service digital group ii. All shared service staff on a single platform (CI) iii. Respective SSSC and CI digital functions liaison	Further Actions: i. Project to move payroll / HR system to cloud based solution ii. Finance system upgrade (probable move to cloud based) iii. Further training	Appetite: Receptive Target: Medium Tolerance: High Residual risk in accordance with target and below tolerance. Rating: Green	HoSS
5	Structure Design What is the Potential Situation? The new staffing structure is not effective for the delivery of successful shared services. What could cause this to arise? Structure is largely based on the previous structure that was dependent on a single director working for CI and SSSC deciding priorities on the balance of need across SSSC and CI. The new structure has two directors representing priorities of their respective organisations making compromise and prioritisation in the use of resources more difficult. Failure to stop (as recommended by CIPFA report) the practice of organisational “ownership” of staff working in shared services.	4	4	16	H	2	2	4	L	High	↔	In Place: i. Management agreement ii. Specifications of Service. iii. Performance measures and service standards iv. Regular meetings of Review Board v. Shared service oversight group	Further Actions: i. Continued prioritisation and compromise where acceptable	Appetite: Cautious Target: Low Tolerance: Medium Residual risk in accordance with target and below tolerance. Rating: Green	Review Board

	What would the consequences be? Reduced service capacity, commitments not delivered, duplication, staff capacity to deliver leading to bad feeling and frustration, customer dissatisfaction and reputational damage. Cessation in whole or in part of shared services.														
6	Capacity HR What is the Potential Situation? HR have several vacancies and may incur further capacity reduction making it difficult to deliver on all commitments and aspirations. What could cause this to arise? Operating for a significant amount of time with many posts filled on a temporary basis, low team morale, relatively buoyant external market for HR staff (lose existing & difficult to attract new), new HR staff will require an induction period and additional employee related issues due to pandemic. What would the consequences be? Reduced service capacity, commitments not delivered, increased fraud / error risk, customer dissatisfaction, non compliance, impact on staff health and wellbeing and morale as they may work excessive hours, feel under pressure and/ or under-valued and reputational damage	4	4	16	H	4	4	16	H	High	↔	In Place: i. Cover from OWD for CI recruitment project	Further Actions: i. New Head of HR starting 26 April. This will allow unravelling of temporary arrangements ii. Short term agency cover to be arranged iii. Prioritisation discussion	Appetite: Cautious Target: Low Tolerance: Medium Residual risk in above target and tolerance. Rating: Red	HoSS