

## PARTNERSHIP OPERATIONAL RISK - CHECKLIST

### TECHNICAL AND OPERATIONAL RISKS

RISK	CHECK
Not being aware of levels of demand leads to inappropriate levels of service delivery	
Inadequate baseline calculations leading to discrepancies when comparing to actual and/or future deliverables	
Inability to measure savings and quality outcomes leading to poor partnership management	
Not ensuring a common partnership delivery/timetable with stakeholders leading to problems in communication and expectations	
No appropriate penalties/rewards established for partnership deliverables	
Impact on existing contracts not considered sufficiently	
Different starting points for the parties involved in the partnership causes operational difficulties	
Different expectation levels and required outcomes for the parties involved in the partnership	
Pressure from partners to deliver 'quick wins' could be at the expense of longer term gains	
Failing to establish and then abide by service level agreements	
Failing to meet continuous improvement targets	
Failure to establish service ownership/management of information	
Lack of co-ordination and structure to handle partnership based projects (in addition to own projects)	
Inadequate management resources to implement strategy	
Assets owned/managed by the partnership are damaged by fire, flood or by a third party (accident, vandalism etc)	
Assets owned/managed by the partnership cause damage or physical injury to a third party	
Failure to involve professional assistance and expertise e.g. legal, finance, procurement, risk at the right stage	
Contract/partnership management role not sufficiently defined	
Failure to apply an effective health and safety management and monitoring system in respect of partnership activity	
Partnership service may be subject to two separate inspectorates that could lead to differing or conflicting standards or requirements	
Inadequate accountability arrangements for training targets	
Data sharing, access to data, data protection issues not properly evaluated	
Failure to future-proof technology procured / developed by the partnership	
Failure to develop and maintain working interfaces with the systems of partners	
Failure to establish effective security / integrity of partnership systems	
Licensing considerations – software etc.	

### POLITICAL RISKS

<b>RISK</b>	<b>CHECK</b>
Failure to deliver Central Government Policy or local identified priorities	
Ceding / dilution of control with the involvement of more partners	
Conflict with the policies / strategies of individual partner organisations	
Different political structures may cause inconsistencies between partners	
Political leadership changes leading to conflicts within the organization	
Change in local authority functions	
CPA Inspection or equivalent cause partners to focus on their own priorities.	
Changes to Government Funding may affect delivery.	
Lack of clarity over executive powers and the role of scrutiny	
Lack of consistent Member attention / understanding across all partners.	
Managing expectations of Members	
Risk of reputational damage	

### *STAKEHOLDER INTEREST RISKS*

<b>RISK</b>	<b>CHECK</b>
Failure to engage each partner authority in a mutually beneficial relationship	
Failure to develop partnership focus on customer services	
Partners fail to deliver on individual responsibilities	
Over / under reliance on one partners involvement	
Failure to collaborate on key technology decisions	
Failure to identify / emulate / share / benchmark with good practice	
Level / scope of delegated powers vary across partnership that leads to conflict	
Significant differences in organisational cultures across partnership are underestimated	
Inadequate integrated arrangements to respond to a major incident	
The reputation and image of one of the partners is affected by actions of the other partners	
Mismatch in understanding / conflict of risks between partners	
Failure to define a detailed and on-going communication strategy	
Failure to involve all key stakeholders	
Lack of trust within the partnership	

## FINANCIAL RISKS

RISK	CHECK
Failure to nominate a suitable “accountable body”, or partner resistance to undertaking this role	
Failure to establish clear protocol for treatment of operating surpluses / losses arising from partnership activity	
Failing to identify a legal entity for contracting / accounting purposes	
Failure to establish clear lines of accountability	
Failure to effectively manage pooled / aligned funds; clear demarcation as to which partner provides which funds, and what for.	
Differences in partners’ VAT status	
Failure to harmonise accounting / financial regulations between partner organizations	
Failure to agree adequate audit arrangements (internal & external audit)	
Responsibility for insurance not clearly defined in terms of assets, and third party / liability cover in respect of partnership activities.	
Ownership of partnership assets unclear; likewise responsibility to maintain.	
Failure to identify “lifetime costs” and to allocate responsibility for them – e.g maintenance costs may prevail beyond the life of the partnership.	
Clear policy for treatment of assets / liabilities in the event of the partnership winding up (voluntary or otherwise)	

## ORGANISATIONAL MANAGEMENT/HUMAN RESOURCES RISK

RISK	CHECK
Failure to clearly identify “the employer” within the partnership	
The innovative nature of partnership activity is unacceptable or misunderstood within services	
Failure to address the HR organisational implications, including the cost of pensions	
Non-availability of skills internally to support partnership activity	
Inability to ‘carry’ staff (and unions) with the changes	
Unable to put in place new recruitment / reward / career structures	
Inability to identify and rollout appropriate training programme in a timely manner	
Lack of clarity, accuracy and completeness of employment records and salary details etc in relation to transferees.	
Differing HR sections with own policies and procedures that leads to confusion around which policy or procedure to follow.	
Operating two similar but not identical conditions of employment – impact on morale of staff that are undertaking similar work but are on different terms and conditions	
Staff are unable to adapt to new roles, responsibilities and the culture of the partnership	
Staff are seconded and it is subsequently deemed that there was in fact a transfer of undertaking	
Lack of clarity over responsibility for staff performance, discipline etc	
Divergent recruitment practise resulting in challenge to appointments and dismissals	

### *PROCUREMENT RISKS*

<b>RISK</b>	<b>CHECK</b>
Partnership does not exist as an entity and cannot enter into contracts	
There is no agreed criteria for selecting preferred suppliers	
Inability to deliver a quick win to demonstrate benefits	
Insufficient market appetite/competition	
Lack of flexibility in partnership contracts	
Difficulties in conducting procurement in accordance with the regulatory and policy frameworks of all partners	

### *LEGAL RISKS*

<b>RISK</b>	<b>CHECK</b>
Legal constraints (e.g. Data Protection Act) prevent or delay joining-up and partnership working	
Conflict over intellectual property rights in respect of partnership activity	
Changes to the services required as a result of new laws or regulations or changes in existing laws or regulations	
Failure of partner to comply with relevant laws and regulations (including in relation to telecommunications, health and safety, data protection and human rights) or the partner causing the Council to be in breach of any law or regulation	
TUPE challenge to secondment arrangements between the partnership	
Failure to ensure compliance with Data Protection Act	
Failure to establish compliance with Freedom of Information Act	
Failure to ensure compliance with Disability Discrimination Act	
Failure to establish compliance with equality / diversity legislation	

