

Shared Services – Set-up and Arrangements

New or changing shared services

Risks to the host and client

Shared Services Risk	Risk to Host	Risk To Client
1. Change Management		
1.1. Lack of option appraisal	Optimum solution may not be selected	Optimum solution may not be selected
1.2. Weak project management, due to: <ul style="list-style-type: none"> • lack of planning • lack of skill/resources 	Project may be delivered late, over budget, and new service may not be set up effectively	Project may be delivered late, over budget, and new service may not be set up effectively
1.3. Lack of consultation	May have dissatisfied users	May not get the service they want
1.4. Lack of change control of documentation	May not be clear on what has been agreed	May not be clear on what has been agreed
1.5. Lack of communication about changes with users	Service users within the host may not understand what changes are to be delivered. This can lead to communication problems when the services go live and user dissatisfaction	Service users within the client may not understand what changes are to be delivered. This can lead to communication problems when the services go live and user dissatisfaction
2. Financial Aspects of Corporate Governance		
2.1. Lack of formal agreement to arrangements	Host may be exposed to undue risk if users have not formally agreed to the arrangements to share risks/liabilities etc	Clients may be unable to enforce the agreement if it has not been formally agreed
2.2. Accountability framework, once agreed, may be inadequate	Host may be at risk due to lack of provisions to protect itself	Client may have insufficient ability to control the host's services
2.3. Failure to agree standing orders (SOs) and standing financial instructions (SFIs) prior to go live date	Financial transactions are irregular	Financial transactions are irregular
2.4. Failure to set up financial systems for clients	Host fails to meet its commitment to clients	Unable to process financial transactions or

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by go live date, e.g. chart of accounts, costs centres etc		unacceptable delay in doing so
2.5. Failure to set up staff correctly on payroll system	Loss of confidence and business	Staff may not be paid, or may be paid incorrectly
2.6. Failure to agree on ownership of assets	Host may incorrectly omit/include assets from asset register	Client may incorrectly omit/include assets from asset register
2.7. Failure to put in place adequate counter fraud arrangements	Loss of confidence and business	Client is ultimately responsible for any frauds committed
2.8. Failure to agree on internal audit arrangements	Inadequate audit oversight or duplication of effort	Inadequate audit oversight or duplication of effort
2.9. Failure to agree on Data Protection and Freedom of Information responsibilities	Loss of confidence and business	Client is ultimately responsible for breaches of legislation
2.10. Failure to agree responsibilities for taxation matters	Loss of confidence and business	Client is ultimately responsible for failure to comply with taxation requirements
3. Performance Management		
3.1. Failure to assess or agree on resource requirements	Host may have insufficient resources to provide the agreed service	Client may get an inadequate standard of service
3.2. Failure to agree on funding arrangements	Host may be liable for the costs of services being provided to other clients	Cost of services may be greater than budgeted
3.3. Failure to agree on contingency plans	Services may be discontinued in the event of a disaster	Services may be discontinued in the event of a disaster
3.4. Service level agreements (SLA) not agreed	Host may have inadequate resources to deliver client expectations	Services provided may not meet client requirements
3.5. Performance Indicators not agreed	Host has no standard against which the measure its own performance	Client cannot hold the host accountable for delivery of services