

## AGENDA FOR AUDIT COMMITTEE



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**To: All Members of Audit Committee**

**Councillors :** A Arif, D Berry, D Duncalfe, E FitzGerald,  
I Gartside, M Hayes, N Jones, E Moss and M Whitby  
(Chair)

Dear Member/Colleague

### **Audit Committee**

You are invited to attend a meeting of the Audit Committee which will be held as follows:-

<b>Date:</b>	Thursday, 1 December 2022
<b>Place:</b>	Town Hall
<b>Time:</b>	7.00 pm
<b>Briefing Facilities:</b>	If Opposition Members and Co-opted Members require briefing on any particular item on the Agenda, the appropriate Director/Senior Officer originating the related report should be contacted.
<b>Notes:</b>	

## **AGENDA**

### **1 APOLOGIES FOR ABSENCE**

### **2 DECLARATIONS OF INTEREST**

Members of the Audit Committee are asked to consider whether they have an interest in any of the matters on the agenda and, if so, to formally declare that interest.

### **3 MINUTES OF THE LAST MEETING** *(Pages 5 - 12)*

The Minutes of the last meeting of the Audit Committee held on

### **4 MATTERS ARISING**

### **5 AUDIT PROGRESS REPORT** *(Pages 13 - 24)*

A report from Bury's External Auditors, Mazars is attached

### **6 FINAL ACCOUNTS 2021/2022 - UPDATE REPORT** *(Pages 25 - 30)*

Report attached

### **7 INFORMATION GOVERNANCE UPDATE** *(Pages 31 - 40)*

Report from the Deputy Chief Executive is attached.

### **8 RISK REGISTER** *(Pages 41 - 70)*

Report from the S.151 Officer attached  
Appendix A attached  
Appendix B attached  
Appendix C attached  
Appendix D attached  
Regeneration Deep Dive report attached

### **9 CONTRACT PROCEDURE RULES** *(Pages 71 - 148)*

Report attached  
Appendix 1 attached  
Appendix 2 attached

### **10 INTERNAL AUDIT PROGRESS REPORT** *(Pages 149 - 180)*

A report from the S.151 Officer is attached.  
Appendix A attached  
Appendix B attached

### **11 URGENT BUSINESS**

Any item that the Chair agrees can be dealt with as Urgent Business

## **12 EXCLUSION OF PRESS AND PUBLIC**

To consider passing the appropriate resolution under Section 100(A)(4) of the Local Government Act 1972 that the press and public be excluded from the meeting during consideration of the following items of business since they involve the likely disclosure of the exempt information stated.

## **13 INTERNAL AUDIT REPORTS AND FOLLOW UP** *(Pages 181 - 262)*

A report from the S.151 Officer is attached.

Appendix 1 attached

Appendix 2 attached

Appendix 3 attached

Appendix 4 attached

Appendix 5 attached

## **14 PROPERTY SERVICES - ESTATES MANAGEMENT**

## **15 INTERNAL AUDIT REPORT - SPECIAL INVESTIGATIONS** *(Pages 263 - 268)*

A report from the S.151 Officer is attached

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**Minutes of:**               **AUDIT COMMITTEE**

**Date of Meeting:**       12 October 2022

**Present:**               Councillor M Whitby (in the Chair)  
Councillors A Arif, D Berry, D Duncalfe, E FitzGerald, M Hayes  
and N Jones

**Also in attendance:** Sam Evans, S.151 Officer  
Karen Murray – Mazars  
Janet Spelzini, Acting Head of Internal Audit

**Public Attendance:** No members of the public were present at the meeting.

**Apologies for Absence:** Councillor I Gartside and Councillor E Moss

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**AU.1       DECLARATIONS OF INTEREST**

There were no declarations of interest made at the meeting.

**AU.2       MINUTES OF THE LAST MEETING**

**Delegated decision:**

That the Minutes of the last Meeting of the Audit Committee held on 25 July 2022 be approved as a correct record and signed by the Chair.

**AU.3       MATTERS ARISING**

Councillor FitzGerald referred to concerns that had been raised at the last meeting of the Audit Committee during an exempt item. The concerns had been in relation to leases and was agreed that the relevant AD would attend a future meeting of the Committee.

Councillor FitzGerald asked when this would be.

It was explained that the Assistant Director would be attending the December meeting of the Committee.

**AU.4       EXTERNAL AUDIT PROGRESS REPORT**

Karen Murray Director at Mazars presented the External Audit Progress Report.

It was explained that the audit work in relation to the Statement of Accounts was progressing well and the standard of papers that the Council had produced were of a better standard than were presented last year.

It was reported that even though the work was progressing well it would not be possible to meet the national completion deadline due to the issues around infrastructure accounting. It was explained that this was a national issue and was affecting all councils that had responsibility for highways and infrastructure.

Karen explained that CIPFA and LASAAC were very close to reaching an agreement on the issue but nothing could be done until legislation had been passed allowing the issue to be

overridden and it was expected that this would not be in place until the start of the new calendar year.

Members of the Committee were given the opportunity to ask questions and the following points were raised:

- Councillor FitzGerald referred to the updated Audit Regulations which made reference to the Audit Committee membership and the inclusion of an independent member.

It was explained that although it was recommended that Audit Committees have an independent member it wasn't a requirement. The council had advertised a number of times for an independent member but had not had any interest.

Karen explained that her opinion was that the Bury Audit Committee was an effective committee and the Councillor Members were very thorough.

- Councillor Whitby referred to the information provided by Mazars in relation to the effectiveness of the Audit Committee and asked that the Members of the Committee have a look at the information.

## **Delegated decisions:**

1. That the contents of the report be noted.
2. That the finance teams be thanked for their hard work in relation to the preparation of the draft accounts and the external audit.

## **AU.5 PUBLIC SECTOR AUDIT APPOINTMENTS**

Sam Evans explained that Bury Council, as with the vast majority of other Councils had opted into the 'appointing person' national auditor appointment arrangements which were established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.

The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts.

The Audit Committee and full Council approved in January 2022 to continue to be part of the national procurement exercise.

PSAA has undertaken a procurement exercise for the next period, covering audits for the 2023/24 to 2027/28 financial years. It had been announced on the 3rd of October 2022 that they have retained the services of three existing suppliers, Grant Thornton, Mazars and Ernst & Young, welcomed former supplier KPMG back to the market, and will be entering into contracts with two new suppliers, Bishop Fleming and Azets Audit Services.

It was also reported that the Council have been advised from the PSAA that the level of fees have considerably increased from the previous procurement and that an increase of fees is to be expected in the region of 150% compared to 2022/23. Actual fees are dependent on the amount of work required.

The Committee will be informed as to the proposed fees and the appointed auditors as soon as the information becomes available.

**Delegated decision:**

That the Audit Committee note the firms awarded contracts under the national procurement process and await the announcement of the appointed audit firm who will undertake the audits for Bury Metropolitan Council for the period 2023/24 to 2027/28

**AU.6 RISK REGISTER**

Sam Evans, Executive Director of Finance presented a report providing an update position with regards to the risks identified and assessed on the Council's Corporate Risk Register which was appended to the report.

A total of 20 risks have been identified as those of a genuine corporate nature and are summarised as follows:

- 20 risks are currently present on the Corporate Risk Register
- 14 risks are currently rated as Significant (risk score 15-25)
- 5 risks are currently rated as High (risk score 8-12)
- 0 risks are currently rated as Moderate (risk score 4-6)
- 1 risk is currently rated as Low (risk score 1-3)

Of these 20 risks: 3 have increased in score, 4 have decreased in score, 11 have remained static, 2 have been newly introduced.

Members of the Audit Committee were asked to consider the risks within the report and choose risks to carry out a 'deep-dive' on. During the discussion, the following points were raised:

- Councillor Hayes referred to CR.20 relating to increasing energy prices and stated that this was a significant concern for the Council and residents. Councillor Hayes asked whether this should be included in a deep dive.
- Councillor FitzGerald referred to the changes in legislation relating to election law and explained that the changes may be confusing to the electorate. Councillor FitzGerald asked what work was being done to ensure that the changes were reported and explained to all concerned.

Sam Evans explained that work relating to the Elections Bill was well under way across the council.

- Councillor Whitby referred to CR.11 Building Management and asked what was being done to introduce improvements to buildings management.

It was reported that the Corporate Landlord team has been established and is a central team which is working on bringing everything together for all properties. This includes all budgets, all contracts and all certificates.

It was stated within the Corporate Risk Register that the work in this area was on target.

Karen Murray explained that a deep dive should be carried to ensure that Councillors were satisfied that the risks were being managed as set out in the Corporate Risk Register.

## **Delegated decisions:**

1. That the Audit Committee notes the update provided.
2. That the following risk be considered in more detail at the next meeting of the Audit Committee in December:

CR.15 – Regeneration & Development

## **AU.7 PROCUREMENT STRATEGY**

Sam Evans, Section. 151 Officer presented a report setting out the proposals for a new procurement strategy for Bury Council.

It was explained that the current strategy had expired in 2015 and required a comprehensive review to provide a more strategic approach and to bring it up to date.

Sam explained that the Procurement Strategy was the first of a suite of documents to further and improve procurement within the Council.

The Draft Procurement Strategy was appended to the report.

Those present were given the opportunity to ask questions and make comments and the following points were raised:-

- Councillor Jones referred to the weighting in relation to developing talent - social value and asked if this would be reviewed as it was currently low.

Sam explained that this would be included within the next set of documents that the Committee would receive.

- Councillor Hayes asked if Bury based businesses would be supported within the strategy.

Sam reported that the Strategy included plans to shift more spend locally and give local suppliers and Small to Medium Enterprises the best possible opportunity to supply and provide services.

- Councillor FitzGerald asked how the Council will report to show that the strategy is working, that the benefits are being achieved and that compliance is being met.

Sam explained that there will be more centralised approach which would sit within a central procurement team rather than by many different sections.

- It was asked whether the Strategy would apply to other organisations such as Six Town Housing?



It was explained that it was currently just the Council but other organisations could be asked to adopt.

**Delegated decisions:**

1. That the contents of the report be noted.
2. That the new Bury Procurement Strategy be approved.

**AU.8 COMPLIANCE WITH THE CIPFA FINANCIAL MANAGEMENT CODE**

Sam Evans presented a report highlighting the Council's compliance with the Financial Management Code issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

It was explained that the Financial Management Code (FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.

For the first time the FM Code sets out the standards of financial management for local authorities

It was explained that there are six overarching principles on which the FM code is based:-

- a. Organisational leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- b. Accountability – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- c. Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- d. Adherence to professional standards is promoted by the leadership team and is evidenced.
- e. Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- f. The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources

The code was completed as a self-assessment exercise undertaken internally and was seen as good practice as it gives the opportunity for self reflection.

The updated assessment had been carried out and was appended to the report at appendix A and set out Bury Council's current position.

It was explained that the finance team will focus on the actions identified with a number of these being undertaken on the conclusion of the Finance Restructure and transformation including:

- Completion of the finance restructure as per timetable and ensure good appointments to any vacancies
- Support development for all staff and accreditation through professional accounting bodies

Further actions to ensure compliance:

- A programme of Budget holder and Member education and training has commenced but will need to continue and be developed further.
- System enhancements are being reviewed to improve the budget monitoring abilities of budget holders alongside training.
- The development of improved financial monitoring and reporting, working with services to link this with activity and outcomes.
- The review of income and debt recovery for the authority with a clear plan of improvement and reviews.
- Work is currently under way to expand the use of benchmarking into other directorates.
- A review of reserves was undertaken as part of the 2021/22 accounts process but a further in-depth review will be undertaken over the summer of 2022/23 to understand the ability to add to the smoothing reserve that was created as part of the 2022/23 budget setting process
- Review of timeline to ensure reporting is undertaken in real time enabling Executive team and Departmental Leadership teams to respond in a timely manner

It was proposed that the self assessment would be kept as a live document and would be reported to the Audit Committee biannually.

## **Delegated decision:**

That the level of compliance with the CIPFA Financial Management Code be noted.

That the issues that require further development be noted.

## **AU.9 EXCLUSION OF PRESS AND PUBLIC**

### **Delegated decision:**

That in accordance with Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following items of business since they involved the likely disclosure of exempt information, relating to any action taken, or to be taken in connection with the prevention, investigation and prosecution of crime.

## **AU.10 INTERNAL AUDIT PROGRESS REPORT UPDATE**

Janet Spelzini presented a report setting out the progress to date against the annual audit plan 2022/23.

It was explained that the report allowed Members to monitor the work of the Internal Audit service, raise any issues for further consideration and provided an opportunity to request further information or to suggest areas for additional or follow up work.

The conclusions drawn from the report were explained as :-

The majority of work outstanding from the 2021/22 plan has now been completed and work on 2022/23 plan is progressing. Seven reports have been issued to Members since the beginning of the financial year.

One report within the 2022/23 annual plan has been issued with a Limited assurance to date. This report will need to be considered within the Annual Governance Statement produced at the end of the financial year 2022/23.

**Delegated decision:**

That the contents of the report be noted

**AU.11 INTERNAL AUDIT REPORTS ISSUED SINCE THE LAST COMMITTEE**

Janet Spelzini presented a report setting out information in relation to final reports that had been issued since the last meeting of the Audit Committee meeting in July 2022.

**Delegated decision:**

That the contents of the report be noted.

**AU.12 INTERNAL AUDIT SPECIAL INVESTIGATIONS**

Janet Spelzini presented a report relating to special investigations which had been undertaken to examine significant issues/whistleblowing allegations that had been raised with the section. 151 Officer.

Members raised concerns in relation to the information provided and it was suggested that the relevant Executive Director be invited to attend the December Meeting of the Audit Committee.

**Delegated decisions:**

That the contents of the report be noted.

That the Executive Director be requested to attend the December meeting of the Audit Committee.

**COUNCILLOR M WHITBY**  
**Chair**

**(Note: The meeting started at 7.00 pm and ended at 9.00 pm)**

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# Audit Progress Report

Bury Metropolitan Borough Council

December 2022



1. Audit Progress
2. National Publications

## Section 01: **Audit Progress**

# Audit Progress

## Purpose of this report

This report provides the Audit Committee with an update on progress in delivering our responsibilities as your external auditors.

## Audit progress

### 2020/21 Financial statements work

Our one remaining responsibility in respect of the 2020/21 financial year is a review of the Council’s whole of government accounts (WGA) return. The National Audit Office (NAO) has now issued its group instructions, which determines the testing we are required to undertake on the Council’s WGA return. We are currently waiting on confirmation of sample audits to be tested. Once the NAO has confirmed this, we will liaise with Officers to complete any work we are required to do. Following this, we will issue our Audit Certificate to formally close the 2020/21 audit.

### 2021/22 Financial statements work

We commenced our audit of the Council’s 2021/22 financial statements on 22 August 2022. We have substantially completed our testing in a number of significant risk areas including Property Plant and Equipment, Investment properties and management override of controls. Our work on the risk in respect of the net pension liability is not yet complete because we are awaiting information from the Pension fund auditor. The Council has amended its accounts following the receipt of a second actuarial report .

There have been some complex areas of work that have required further discussions and amendment including the Airport share valuation, the fair value of airport loans and housing stock valuations.

We are continuing to make progress and have prompt and helpful support from the Council’s finance team and wider staff, in order to complete our audit.

Members are aware of the national issue in respect of infrastructure accounting. To unlock the situation, the Government has recently consulted on an optional temporary Statutory Override to allow the Council to prepare accounts that are materially correct. This legislation is due to be laid before Parliament in late November and will be enacted thereafter. The Council will need to consider the impact of the legislation on the accounts and make any necessary changes. We will then work with the Council to agree a timetable for us to complete our audit procedures.

### 2021/22 Value for Money arrangements work

We plan to complete and report our Value for Money arrangements work within three months of the date of our audit opinion on the financial statements (in line with National Audit Office (NAO) guidance).



## Section 02: **National Publications**

# National publications

	Publication/update	Key points
Financial Reporting Council (FRC)		
1	FRC Major Local Audit Inspection Report	Outcome of the FRC inspection of audit quality from 2020/21 audits
Chartered Institute of Public Finance and Accountability (CIPFA)		
2	Audit Committees: Practical Guidance For Local Authorities And Police (2022 edition)	Guidance for Audit Committees
National Audit Office (NAO)		
3	Introducing Integrated Care Systems: joining up local services to improve health outcomes	Overview of Integrated Care Systems
4	A guide to corporate finance in the public sector	A good practice insight guide for senior leadership
Public Sector Audit Appointments Ltd		
5	Consultation on proposed auditor appointments from 2023/24	Consultation document

# NATIONAL PUBLICATIONS

## Financial Reporting Council

### 1. FRC Major Local Audit Inspection Report - October 2022

The FRC is responsible for monitoring the quality of the audits of the largest health and local government entities (called Major Local Audits or MLAs). They do this by annually inspecting a sample of MLAs from each of the audit firms who deliver this work. In their most recent publication, they reported on their review of 20 MLAs, three of which related to Mazars. The ICAEW also reviewed 17 non-MLAs (none from Mazars).

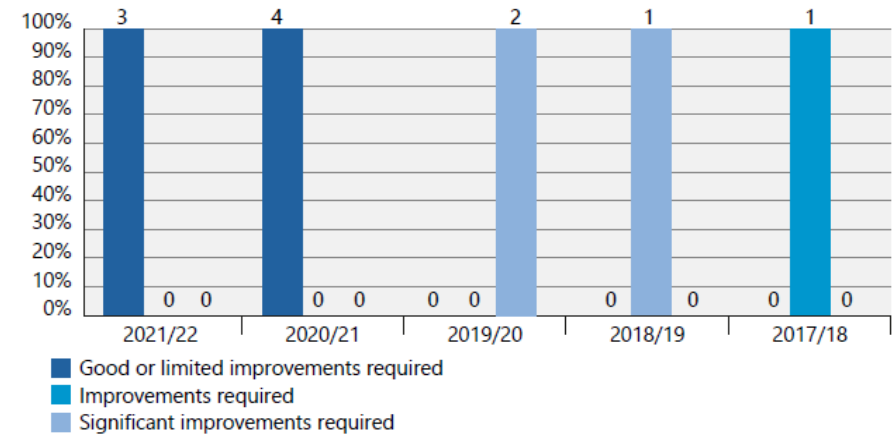
For Mazars, the FRC found that all 3 files reviewed met the expected standards. This was the second successive year of 100% compliance. Whilst the sample size is small and focused on the higher risk audits, the improvement does reflect the investment we have made in people, technical expertise, specialists (such as building on in-house valuation team and strengthening our methodology. Maintaining and improving audit quality is a key objective of the firm and our investment will continue.

Overall, the FRC found that the number of audits categorised as good or limited improvements required has remained consistent with the prior year. However, there was an increase in the number of audits assessed as requiring significant improvements and they deemed this as unacceptable.

<https://www.frc.org.uk/getattachment/aeb9149f-7bf9-45f2-802d-ca7b055b457e/Major-Local-Audits.pdf>

### Mazars LLP

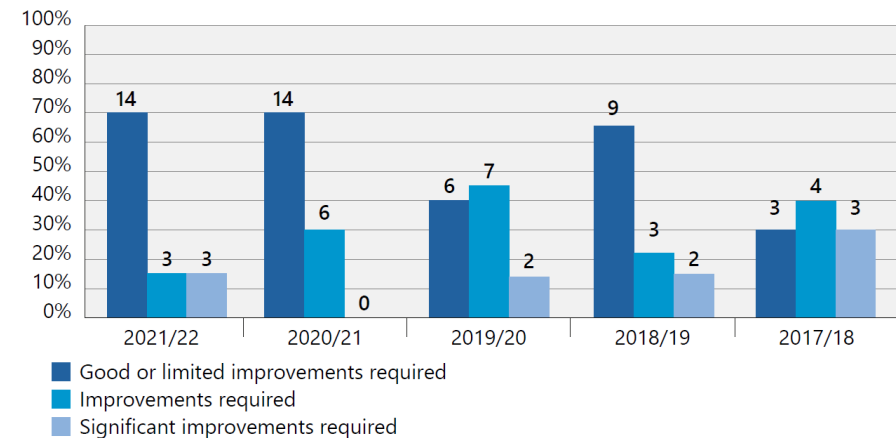
#### Our assessment of the quality of financial statement audits reviewed



100%

At Mazars LLP, all three financial statement audits inspected were assessed as good or limited improvements required.

#### All financial statement reviews – for the firms inspected



**2. Audit Committees: Practical Guidance For Local Authorities And Police (2022 edition), October 2022**

Audit committees are a key component of governance. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. They play an important role in supporting leadership teams, elected representatives, police and crime commissioners and chief constables.

This edition updates CIPFA's 2018 publication to complement the 2022 edition of the CIPFA Position Statement on audit committees.

The suite of publications has separate guidance resources for audit committee members in authorities, members of police audit committees, and a supplement for those responsible for guiding the committee.

New aspects include legislation changes in Wales and new expectations in England following the Redmond Review. All authorities and police bodies are encouraged to use the publication to review and develop their arrangements in accordance with the Position Statement.

The appendices include suggested terms of reference, a knowledge and skills framework and effectiveness improvement tools.

<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

3. Introducing Integrated Care Systems: joining up local services to improve health outcomes, October 2022

Integrated Care Systems (ICSs) bring together NHS, local government and other partner organisations to plan and deliver integrated services to improve the health of the local population. There are 42 ICSs covering the whole of England, ranging in size from 542,000 people to 3.51 million. ICSs were introduced into legislation by the Health and Care Act 2022, the relevant provisions of which took effect from 1 July 2022.

This report examines the setup of ICSs by DHSC, NHS England (NHSE), and their partners and the risks they must manage. Unlike many National Audit Office reports, this is not an assessment of whether the programme has secured good value for money to date because ICSs have only recently taken statutory form. Instead, it is an assessment of where they are starting from and the challenges and opportunities ahead. NAO makes recommendations intended to help manage those risks and realise those opportunities.

The summary provides the key findings, our conclusion on ICSs’ likely success, and our recommendations. The rest of the report sets out:

- an introduction to ICSs, describing their structure, objectives, and governance arrangements (Part One);
- an overview of the positions that ICSs are starting from, in terms of finances, staffing and activity levels, and some of the wider challenges facing the health and care sector (Part Two); and
- an examination of government’s efforts to improve population health through better integration and a focus on prevention, and our assessment of ICSs’ prospects for success this time (Part Three).  
Introducing Integrated Care Systems: joining up local services to improve health outcomes.

<https://www.nao.org.uk/reports/introducing-integrated-care-systems-joining-up-local-services-to-improve-health-outcomes/>

4. A guide to corporate finance in the public sector, September 2022

Corporate finance is a complex and specialist topic. NAO examined corporate finance transactions and the organisations performing these for more than 35 years. There are many factors senior leaders must consider to ensure public bodies manage the risks and benefits to taxpayers when using corporate finance techniques.

The interactive guide contains useful insights from 139 NAO reports and sets out key questions for senior decision-makers to consider when overseeing corporate finance activities. It may also be of interest to professionals supporting the government to deliver a range of transactions, including commercial investments, loans and guarantees.

<https://www.nao.org.uk/insights/guide-to-corporate-finance-in-the-public-sector/>

# NATIONAL PUBLICATIONS

## Public Sector Audit Appointments Ltd

### 5. Consultation on proposed auditor appointments from 2023/24, October 2022

PSAA has consulted on the on the proposed auditor appointments for all opted-in bodies for audits from 2023/24 to 2027/28. The consultation closed on 14 November 2022.

<https://www.psaa.co.uk/2022/10/consultation-on-proposed-auditor-appointments-from-2023-24/>

# Contact

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services\*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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<b>Classification</b>	<b>Item No.</b>
<b>Open</b>	

<b>Meeting:</b>	Audit Committee
<b>Meeting date:</b>	01 December 2022
<b>Title of report:</b>	Statement Accounts 2021/22 update
<b>Report by:</b>	James Hopwood
<b>Decision Type:</b>	<b>Non-Key Decision</b>
<b>Ward(s) to which report relates</b>	

### 1. Executive Summary:

- 1.1 This report presents an update on the unaudited 2021/22 Statement of Accounts. They present the financial position for Bury Council as of 31 March 2022. It should be noted that the audit is still work in progress and the amendments identified below are subject to confirmation by external audit and until the audit is finalised may not be a complete list.
- 1.2 The unaudited 2021/22 Statement of Accounts was completed by 31 July 2022. This was in accordance with the specified timetable set out in the Accounts and Audit (Amendment) Regulations 2021. Since 22 August 2022, the accounts have been subject to external audit.
- 1.3 The Accounts and Audit (Amendment) Regulations 2021 further stipulate that local authority accounts are audited and approved by Audit Committees on or before 30 November 2022.
- 1.4 However, no local authority has been able to complete its audit by 30 November 2022. This is due to a technical issue on infrastructure assets - impacting on all local authorities and preventing their accounts from being fully audited. A resolution to this technical issue is proposed and has been consulted on. However, the resolution awaits the completion of statutory processes, which are expected to be completed by the end of December.

## **Recommendation(s)**

- 2.1 The Committee note current progress to date on the external audit of the 2021/22 Statement of Accounts.

### **Reasons for the decision:**

The Statement of Accounts are a statutory requirement.

**Other options considered and rejected:** N/A

## **Key considerations**

### **Background**

- 3.1 The draft accounts were available for public scrutiny from 2 August to 13 September 2022, in accordance with regulations.
- 3.2 The style and format of the accounts is prescribed by the CIPFA Code of Practice (The Code). The unaudited Statement of Accounts were presented to Audit Committee on 25 July 2022.

## **6 Adjusted amendments to the draft unaudited Statement of Accounts**

- 6.1 During the external audit, a number of amendments to the draft accounts have been identified by officers and the external audit team. The amendments are detailed below.
- 6.2 The value on the Balance Sheet of Bury's Long-Term Investment in Manchester Airport has reduced. This amendment applies to all Councils in Greater Manchester. The amendment is because the external valuation of the whole of Manchester Airport has changed significantly following a change in methodology. The amendment is backdated to prior years, in accordance with accounting rules. However, the reduced valuation has no cash impact until the Council disposes of the asset, at which time the sales value achieved would be reflected within the accounts and an adjustment made to reflect any difference between that and the valuation within the accounts at the time.
- 6.3 Other amendments to the unaudited accounts relate to legacy issues on the asset register. Management have agreed to adjust for these. Legacy adjustments comprise:
- A technical adjustment moving £5m of revaluation balances from the revaluation reserve into the capital adjustment reserve. This related to an historical error on the asset register. There was no

impact on useable, cash backed, reserves.

- A school that converted to an academy during the 2021/22 financial year, was still shown on the Council's Balance Sheet as of 31 March 2022. Academy conversions were checked as part of the completion of the unaudited statement of accounts. However, an error in the source documentation used for this reconciliation, caused a misstatement. The Balance Sheet has now been amended for this academy conversion. A procedure note and template has been developed for the future, to avoid a re-occurrence. There was no impact on useable reserves following this amendment as all school reserves are ringfenced.
- There were technical adjustments related to depreciation, its sequencing with the asset revaluations and the effective revaluation date of 1 March 2022. These adjustments agreed by management, including the offsetting academy conversion (see above), increased Property, Plant and Equipment by £2.8m. However, the final adjustments are subject to the completion of the external audit.

- 6.4 The Capital Financing Requirement note was changed prior to the start of the external audit but after the submission of the draft accounts. Managers identified the requirement to amend the note to external audit at the start of the audit.
- 6.5 There were other adjustments to disclosure notes with no impact on usable reserves. These amendments included: the Dedicated Schools Grant note, Remuneration disclosure notes and the Expenditure and Funding Analysis by Nature.
- 6.6 There were also offsetting amendments on the balance sheet. Long-term provisions reduced by £1.2m and short-term provisions increased by £1.2m. Debtors and creditors were reduced by £3.7m due to the impact of an incorrect journal.
- 6.7 An historical error dating back to 2014 on a balance relating to Collection Fund debtors was identified during the audit process. As a result, a debtor balance has been reduced by £1.4m, this will impact on useable reserves and reduce the value accordingly.
- 6.8 Once the audit is complete officers will enact all of the agreed adjustments and external audit will validate the adjustments have impacted the accounts as expected.

## **7 Unadjusted Amendments**

- 7.1 As at 31 March 2022, Bury Council had several creditors with Six Town Housing. The resolution of these outstanding creditors was only agreed in September and the two entities agreed to reduce these creditors by £0.667m. It is not proposed to adjust for this in Bury Councils audited 2021-22 accounts. The impact is not material to Bury Council and will be adjusted within the 2022-23 financial year.

## **8 Infrastructure assets**

- 8.1 As noted, a nationwide technical accounting issue has arisen in relation to infrastructure assets. This relates to how Local Government accounting rules remove the value of replaced components from authorities' asset registers. Following the intervention of the Department for Levelling Up, Housing and Communities (DLUHC), a solution was proposed. Currently Local Authorities are awaiting the completion of statutory processes. Following this, local authorities' accounts will be able to complete the audit of their accounts in January 2023.

## **9 Recommendation**

- 9.1 9.1 The Audit Committee is recommended to note this report which provides an update on the 2021/22 Statement of Accounts and to note that once the audit is complete a revised full set of audited accounts will be presented to the Committee for approval.

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### **Community impact/links with Community Strategy**

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#### **Equality Impact and considerations:**

*Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

*A public authority must, in the exercise of its functions, have due regard to the need to -*

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

*The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and*

*demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*

<b>Equality Analysis</b>	<i>The statement of Accounts is a record of past financial expenditure. It does not determine future resource allocation.</i>

*\*Please note: Approval of a cabinet report is paused when the 'Equality/Diversity implications' section is left blank and approval will only be considered when this section is completed.*

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### Assessment of Risk:

The following risks apply to the decision:

<b>Risk / opportunity</b>	<b>Mitigation</b>
The report is for information purposes and does not propose or require a decision.	

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### Consultation:

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### Legal Implications:

*This report provides Members with an update on the progress in relation to the auditing of the Council's accounts for 2021/22, this report sets out items which have been identified to date. A further report will come to Committee as soon as the audit work has been completed.*

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### Financial Implications:

All financial implication are set out within the report.

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### Report Author and Contact Details:

Sam Evans

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### Background papers:

**None**

**Please include a glossary of terms, abbreviations and acronyms used in this**

**report.**

Term	Meaning



<b>Classification</b>	<b>Item No.</b>
<b>Open</b>	

<b>Meeting:</b>	Audit Committee
<b>Meeting date:</b>	1 December 2022
<b>Title of report:</b>	Information Governance Update
<b>Report by:</b>	Lynne Ridsdale – Deputy Chief Executive
<b>Decision Type:</b>	For information
<b>Ward(s) to which report relates</b>	All

### Executive Summary:

Information Governance (IG) is the strategy or framework for handling personal information in a confidential and secure manner to appropriate ethical and quality standards, ensuring compliance with the relevant statutory and regulatory requirements. At its July 2022 meeting, Audit Committee received the first of the new-format report to demonstrate how Information Governance is integrated into the delivery of services in the Council.

This report highlights improvements in training compliance, performance at responding to requests for information and dealing with data breaches. While the overall trend shows an increasing awareness of information governance in the Council, it is essential that this momentum is continued. Areas of particular focus over the coming months will be around updating the RoPA and increasing training to managers.

## **Key considerations**

### **1.0 Introduction**

- 1.1 This report is to update Audit Committee on the Council's Information Governance activity up to the end of November 2022.
- 1.2 As mentioned in the report to the July committee meeting, this report now focuses on the Council's 'business as usual' performance in the delivery of Information Governance.

### **2.0 Background**

- 2.1 Following the Information Commissioner's Office (ICO) virtual re-visit to the Council on 11-14 April 2022, it was recognised that the Council had made strong progress against the 79 recommendations made following the ICO's June 2021 initial review.
- 2.2 As a result, this has now allowed the Council to focus delivering its day-day information governance responsibilities.

### **3.0 Next Steps / Business As Usual**

#### **3.1 Communications**

- 3.1.1 Information Governance updates continue to be issued as part of the weekly Corporate Communications.
- 3.1.2 There have also been separate presentations to senior managers' meetings.

#### **3.2 Training**

- 3.2.1 As previously reported, following the ICO's recommendations, the Council has enhanced its annual mandatory UK GDPR training module.
- 3.2.2 The percentage of staff with up to date training will vary during the year.
- 3.2.3 When the Data Security & Protection Toolkit (DSPT) was submitted in June 2022, over 95% of staff had completed this training.
- 3.2.4 At the time of the last report to Audit Committee, performance stood at 78%. Since then, there has been a considerable rush for officers to complete their training, with the most recent figure being 92% of all staff members having completed the training, representing 158 individuals. Work is underway to ensure the remaining members of staff complete their training over the next few weeks.



- 3.2.5 To supplement the mandatory training, additional briefings on avoiding and learning from data breaches have been provided to individual teams and services. Briefings on information governance and learning from staff awareness surveys (carried out as part of the DSPT submission) have been provided to senior managers.
- 3.2.6 During 2023, a module on Information Governance will also be included in the Management Development Programme.

### 3.3 Update of the Record of Processing Activities (RoPA)

- 3.3.1 Extensive work has already been carried out to update the RoPA since the time of the ICO's visit in 2021.
- 3.3.2 Work is continuing to make the RoPA a more up to date and robust document. While this work has not been as progressed as initially intended, this reflects the scope of the work required. At the completion of this programme, a comprehensive RoPA will have been produced, together with central repositories of related Information Governance documentation, such as Data Protection Impact Assessments, Data Sharing Agreements, Data Processing Agreements, Privacy Notices, service delivery contracts.

### 3.4 Subject Access Requests (SAR) and Freedom of Information (FOI) Requests

- 3.4.1 Since its establishment in April 2022, the Business Support service has proactively and rigorously pursued the completion of all SAR and FOI requests.
- 3.4.2 As a result, the backlogs of SARs and FOIs has reduced significantly.
- 3.4.3 By mid November 2022, there were 36 SARs not replied to and out of timescales for response, about half of the number at the start of the financial year. Of these, 31 related to Childrens Services requests and 5 related to all other Council departments. This is due to the highly detailed, complex, and sensitive data involved with a Childrens' response. There are a further 13 SARs within timescales, 11 of which relate to Childrens.
- 3.4.4 Even better progress has been achieved against FOI responses. In the last report to Audit Committee, it was reported that at the end of May 2022, there were 60 FOIs beyond their response time, a significant reduction since the start of the year. By mid-November, this figure stood at 8. The length of delay ranges from 1 day to 225 days, with the average delay being 39.5 days.
- 3.4.5 FOI response times have also improved. In May, responses in timescale were reported as 56%, whereas in October, this figure was 100%.
- 3.4.6 These improvements are testimony to the effectiveness of the way Business Support has managed the SAR and FOI processes.

### 3.5 Data Breaches

- 3.5.1 As mentioned in previous reports, data breach monitoring continues to remain a high priority for the Council. Advisory letters continue to be sent by the DPO to officers responsible for a breach and Executive Directors and the DPO meet with them to identify learning and support needs.
- 3.5.2 There have also been additional briefings by the DPO and action plans developed by service managers where services have reported a number of data breaches. This has had a positive effect on performance and awareness with a reduction of further data breaches.
- 3.5.3 The majority of breaches continue to relate to data being sent to incorrect recipients.
- 3.5.3 All breaches reported are shown in the table below, which has been updated since the last report to Audit Committee.

3.5.4 For the period March 2022 to October 2022, the following breaches have been recorded by department:

	BGI	CC	CC-Finance	CYP	OCO	Ops	<b>TOTAL</b>	COMMENTS
March	0	5	0	2	4	1	<b>12</b>	Eleven involved information sent to wrong recipients. One involved information being shared inappropriately. Two reported to ICO both now closed
April	0	3	0	2	2	0	<b>6</b>	All involved information shared with wrong recipients.
May	1	7	0	4	6	1	<b>19</b>	Thirteen involved information sent to wrong recipient. Three involved information left unattended. Two involved information being inappropriately shared. One reported to the ICO. ICO decision pending until further information received from the Council.
June	0	3	0	3	1	0	<b>7</b>	Five breaches sent to wrong recipient. One involved data being sent to own personal email. One involved information left unattended.
July	0	5	0	1	1	0	<b>7</b>	All due to being sent to wrong addressee.
August	0	3	4	0	3	1	<b>11</b>	Nine related to wrong addressee. One related to accessing of information without permission. One related to information being stored in wrong place.
September	1	3	0	1	1	0	<b>6</b>	Four related to wrong addressee. One sharing information without consent/misunderstanding. One due to lost badge.
October	0	1	0	1	1	0	<b>3</b>	All due to being sent to wrong addressee.

### 3.6 Elected Member Support

- 3.6.1 Following the training offered to and attended by 21 Councillors earlier this year, further training is planned for the coming year.
- 3.6.2 All members have been given access to online training. By mid-November, 16 Councillors have completed the training, representing 31.4%, an increase from the 21.6% reported as completing by the end of June 2022.

## 4.0 Recommendations and Next Steps

- 4.1 The Audit Committee is required to note the 2022/23 performance to the end of November 2022.

### **Other alternative options considered**

None.

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## **Community impact/ Contribution to the Bury 2030 Strategy**

Good Information Governance practices enables the Council to deliver its statutory requirements and therefore contributes across all the themes of the Bury 2030 Strategy.

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## **Equality Impact and considerations:**

- 24. *Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

*A public authority must, in the exercise of its functions, have due regard to the need to -*

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*
- 25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*

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## Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
Without a robust framework in place to support good Information Governance practice, there is a risk that the Council may not comply with the duties set out in the UK General Data Protection Regulations (GDPR) or Data Protection Act leading to possible data breaches, loss of public confidence, reputational damage and prosecution / fines by the Information Commissioner	Approval and Implement of the Information Governance Framework Implementation of a comprehensive Information Governance work programme

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## Consultation: N/a

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## Legal Implications:

This report provides an update to audit committee regarding the embedding of our obligations across the organisation. The report references the Council's statutory duties and obligations under the UK GDPR, Data protection Act 2018, FOIA and associated legislation and guidance. The Council has duties under this legislation in terms of accountability and compliance and must ensure it has appropriate policies and procedures in place. A failure to ensure compliance could result in enforcement action by the ICO.

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## Financial Implications:

With the exception of the procurement of appropriate training there are no direct financial implications arising from this report. However, there are implications in relation to a potential ICO fine if the Council had a data breach and the ICO found that we as an organisation were negligent.

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**Report Author and Contact Details:**

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**Background papers:**

Report to Audit Committee - Information Governance – ICO Update & Q2 delivery Update – 30 September 2021

Report to Audit Committee – Information Governance – Update Q3, 2021/22 to date – 25 November 2021

Report to Audit Committee – Information Governance – Update Q4, 2021/22 to date – 15 March 2022

Report to Audit Committee – Information Governance Update – 25 July 2022

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

Term	Meaning
BGI	Business Growth and Investment
CC	Corporate Core
CC-Finance	Corporate Core Finance
CYP	Children and Young People
DFM	Data Flow Mapping
DPIA	Data Protection Impact Assessment
DPO	Data Protection Officer
DSPT	Data Security and Protection Toolkit
EIR	Environmental Information Regulations
FOIA	Freedom of Information Act 2000
GDPR	General Data Protection Regulations 2018

IAM	Information Asset Manager
IAO	Information Asset Owner
IAR	Information Asset Registers
ICT	Information Communication and Technology
IG	Information Governance
IGSG	Information Governance Steering Group
OCO	One Commissioning Organisation
Ops	Operations
NHS	National Health Service
ROPA	Record of Processing activity
SAR	Subject Access Request
SIRO	Senior Information Risk Officer

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Classification	Item No.
Open	

<b>Meeting:</b>	Audit Committee
<b>Meeting date:</b>	1 <sup>st</sup> December 2022
<b>Title of report:</b>	Risk Register
<b>Report by:</b>	Sam Evans Executive Director of Finance
<b>Decision Type:</b>	Non Key
<b>Ward(s) to which report relates</b>	<b>All</b>

### Executive Summary:

Risk Management is a key part of Bury Metropolitan Borough Council's Code of Corporate Governance and underpins its system of internal control.

The Audit Committee are tasked with the responsibility of reviewing and scrutinizing risks where the impact has the potential to disrupt achievement of the Council's priorities. This is achieved by regular review and their seeking assurance that appropriate controls are implemented to manage these risks.

This report provides an updated position with regards to the risks identified and assessed on the Council's Corporate Risk Register. These risks have been considered by the Executive Team as those with the potential to disrupt the Council's strategic objectives and service delivery.

In addition, this report seeks formal approval from the Audit Committee on the following:

- closure of risk reference **CR17 Pharmaceutical Needs Assessment**; and
- the re-naming of risk reference **CR7 ICS Implementation** to "**ICS Implementation and Establishment**".

A total of **21** risks have been identified as those of a genuine corporate nature and are summarised as follows:

- **21** risks are currently present on the Corporate Risk Register
- **14** risks are currently rated as Significant (risk score 15-25)
- **6** risks are currently rated as High (risk score 8-12)
- **0** risks are currently rated as Moderate (risk score 4-6)
- **1** risk is currently rated as Low (risk score 1-3)

Of these **21** risks:

- **19** have remained static
- **1** has decreased in score
- **1** risk is proposed for closure
- **1** new risk has been introduced during the Quarter 3 reporting period.

At the October meeting of the Audit Committee, a further analysis into two risks present on the Register was requested. Two Deep Dive reports into the following two risks are included at Appendix C:

- **CR20 Increasing Energy Prices**
- **CR15 Regeneration and Development.**

### **Recommendation(s)**

**That:**

The Audit Committee:

- Note the update provided;
- Approve the recommended closure of risk CR17 Pharmaceutical Needs Assessment
- Approve the re-naming of risk reference CR7 ICS Implementation to "ICS Implementation and Establishment".
- Receive the Corporate Risk Register at Appendix A;
- Review the Risk Matrix presented at Appendix B;
- Review, analyse and discuss the Deep Dive Reports at Appendix C;
- Determine whether the level of assurance provided against the risks is sufficient; and,
- Select two further risks to receive a "Deep Dive" review to be presented at the next meeting of the Audit Committee.

### **Key Considerations**

#### **1. Background**

The Corporate Risk Register was first presented to Audit Committee at the November 2021 meeting, following agreement that the Executive Team would

produce a mechanism to manage the Council's exposure to strategic risks. This report provides an update on the work progressed to date and demonstrates that efforts are ongoing to embed a culture of good risk management across the Council.

## 2. Key Considerations

The work progressed in the last quarter reflects progress toward providing the Audit Committee with adequate assurance of dynamic corporate risk management. The Corporate Risk Register represents a collation of risks identified and assessed as significant risks to Bury Council.

The following heat maps reflects the current and target risk profile in respect to those risks on the appended register:

Current

Impact	5			2	6	4
	4			5	1	1
	3			1		
	2					
	1		1			
		1	2	3	4	5
		Likelihood				

Target

Impact	5		5	1	1	
	4		5	4		1
	3		1	2		
	2					
	1				1	
		1	2	3	4	5
		Likelihood				

## Community impact / Contribution to the Bury 2030 Strategy

Ensuring compliance with Financial Procedures and Policies

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### Equality Impact and considerations:

24. *Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

*A public authority must, in the exercise of its functions, have due regard to the need to -*

- (a) *eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*

(b) *advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*

(c) *foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*

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### Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
<ul style="list-style-type: none"> <li>• Failure to identify and own major risks that may prevent the Council from achieving one or more of its objectives.</li> <li>• Failure to ensure that the major risks are being managed.</li> </ul>	<ul style="list-style-type: none"> <li>• Review of risk management arrangements at Corporate level.</li> <li>• Review of the Council's risk management strategy and arrangements for the maintenance of risk registers.</li> <li>• Review the associated information management system and reporting arrangements.</li> <li>• Regular review of a Corporate Risk Register in alignment with the revised risk management strategy.</li> </ul>

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### Consultation:

  N/a  

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### Legal Implications:

The Council constitution sets out that the Audit Committee is responsible for providing assurance on the council's audit, governance (including risk management and information governance) and financial processes in accordance with the functions scheme. Under the Account and Audit Regulations 2015, Authorities must undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes. Consideration must be given to the Public Internal Audit Standards (PIAS) and sector specific guidance.

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**Financial Implications:**

Mitigating some of the risks may require financial resources and a number of risks are around organisational and services financial resilience and loss of income following the pandemic.

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**Report Author and Contact Details:**

Sam Evans, Executive Director of Finance  
sam.evans5@nhs.net

**Background papers:**

- Corporate Risk Register at Appendix A;
- Risk Matrix at Appendix B
- Deep Dive Reports at Appendix C.

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

Term	Meaning
BGI	Business Growth and Infrastructure department
CC	Corporate Core department
CYP	Children and Young People's department
DSPT	Data Security and Protection Toolkit
DLUHC	Department for Levelling Up, Housing and Communities
FIN	Finance department
HPG	Homelessness Prevention Grant
ICS/B	Integrated Care System/Board
IGSG	Information Governance Steering Group
OCO	One Commissioning Organisation
PRS	Private Rental Sector
RSAP	Rough Sleeper Accommodation Programme
RSMP	Regional Strategic Migration Partnership
STH	Six Town Housing

## **Risk Register Update**

### **1. Introduction**

- 1.1. This report provides an updated position in respect to those risks that have been identified and assessed as significant risks to Bury Metropolitan Bury Council, collectively referred to as the Corporate Risk Register.
- 1.2. The report presents the risk position and status as at **Quarter 3 2022**.

### **2. Background**

- 2.1. Following revision to the Council's approach to Risk Management, the Executive Team were tasked with developing a risk register that would capture events and circumstances which had the potential to disrupt the Council's ability to meet its strategic and operational objectives.
- 2.2. These objectives have been identified as the four strategic outcomes of the Bury 2030 Community Strategy, and each risk included has been assigned to one of these outcomes:
  - Economic Growth and Inclusion
  - Delivering Together
  - Strength-based Approach
  - Local Neighborhoods.
- 2.3. The Corporate Risk Register (Appendix A) was first presented to Audit Committee at the November 2021 meeting. This repository captures the Council's key strategic risks agreed by the Executive Team and categorized as warranting regular scrutiny to help the Council minimise future financial risks and adverse implications. Additionally, it details the existing controls that provide some level of assurance and identifies planned actions being undertaken to mitigate these risks.
- 2.4. Assessment of each risk has been performed in accordance with the Risk Matrix, introduced within the Council's Risk Management Strategy, attached at Appendix B for ease.

### **3. Corporate Risk Register**

- 3.1 The Corporate Risk Register (Appendix A) captures risks identified as significant to delivery of the Council's key objectives, irrespective of their current scoring.
- 3.2 There are currently 21 risks on the Corporate Risk Register. All risks have

been reviewed by the Risk Owner and assessed to: update the progression of mitigating actions; consider the level of assurance provided by existing controls; and reevaluate both the likelihood and impact, in order to determine whether the risk score should be increased, decreased or remain static.

- 3.3 There are currently a total of 21 risks on the corporate risk register, of which 14 risks (67%) are rated as significant:

<b>No. Risks</b>	<b>Low (1-3)</b>	<b>Moderate (4-6)</b>	<b>High (8-12)</b>	<b>Significant (15-25)</b>
21	1	0	6	14

- 3.4 The table below identifies the number of risks by strategic objective and by current risk score.

<b>Strategic Objective</b>	<b>No. Risks</b>	<b>Low (1-3)</b>	<b>Moderate (4-6)</b>	<b>High (8-12)</b>	<b>Significant (15-25)</b>
<b>Delivering Together</b>	4	0	0	2	2
<b>Economic Growth and Inclusion</b>	10	0	0	1	9
<b>Local Neighborhoods</b>	4	0	0	1	3
<b>Strength based approach</b>	3	1	0	2	0
<b>TOTAL</b>	<b>21</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>14</b>

- 3.5 The following table presents the risks as split across Council directorates:

<b>Department</b>	<b>No. Risks</b>	<b>Low (1-3)</b>	<b>Moderate (4-6)</b>	<b>High (8-12)</b>	<b>Significant (15-25)</b>	<b>Risks Not Scored</b>
<b>BGI</b>	<b>3</b>	0	0	2	1	0
<b>CC</b>	<b>7</b>	0	0	3	4	0
<b>CYP</b>	<b>3</b>	0	0	0	3	0
<b>Finance</b>	<b>2</b>	0	0	0	2	0
<b>OCO</b>	<b>3</b>	1	0	1	1	0
<b>OPS</b>	<b>3</b>	0	0	0	3	0
<b>TOTAL</b>	<b>21</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>14</b>	<b>0</b>

3.6 In exercising their duty to scrutinize those risks presented, the Audit Committee are requested to consider the points below in relation to the information detailed for each risk:

- Does the Key Potential Impact accurately describe the real risk to the Council?
- Are the risk scores (Current and Target) reflective of the current position?
- Are the Current Controls still operating effectively?
- Do the Current Controls articulate how they contribute to managing the risk?
- Have or will the Planned Actions achieve or go towards mitigating the risk further?
- Horizon scanning – Is the Committee aware of any significant changes that could affect the risk in the future?

3.7 The Executive Team have identified the following as the top three risks:

- **CR1 Financial Sustainability**
- **CR21 Project Safety Valve**
- **CR16 Special Educational Needs and Disabilities.**

## **4 Trend Analysis**

4.1 This section of the report reflects the current position of each risk following review by the Risk Owner:

### **Risks that have increased in score**

4.2 During this reporting period **0** risks have increased in score.

### **Risks that have decreased in score**

4.3 During this reporting period **1** risk has decreased in score:

- **CR12 Children's Social Care Services**

### **Risks that have remained static**

4.4 During this reporting period **17** risks have remained static:

- **CR1 Financial Sustainability**
- **CR2 COVID-19 Impact**
- **CR3 Security and Resilience**
- **CR4 Digital Transformation**
- **CR5 Increasing demand pressures**
- **CR6 Climate Change**
- **CR7 ICS Implementation and Establishment**
- **CR9 Workforce Skills and Capability**
- **CR11 Building Management (Operational Health and**



- Safety)**
- **CR13 Regulatory Compliance**
- **CR14 Staff Safety and Wellbeing**
- **CR15 Regeneration and Development**
- **CR16 Special Educational Needs and Disabilities**
- **CR17 Pharmaceutical Needs Assessment**
- **CR19 Financial Capacity**
- **CR20 Increasing Energy Prices**
- **CR21 Project Safety Valve**

#### **Risks that have not been reviewed**

- 4.5 During this reporting period **0** risks have not been reviewed by their assigned Risk Owners.

#### **Risks that have reached their target level**

- 4.6 During this reporting period **0** risks have reached their target level.
- 4.7 The following risks, although having reached their target level during previous reporting periods, the Risk Owner proposed and Executive Team agreed, that the risks should remain on the Corporate Risk Register for ongoing oversight:
- **CR2 COVID-19 Impact** – target score of 9 achieved during Quarter 2, 2022 (Likelihood 3; Impact 3)
  - **CR13 Regulatory Compliance** - target score of 12 achieved during Quarter 1, 2022 (Likelihood 3; Impact 4).

#### **New risks**

- 4.8 During this reporting period **1** new risk has been added to the Corporate Risk Register:
- **CR25 Housing Conditions (Damp, Mould and Condensation).**

#### **Risks proposed to be redefined and closed**

- 4.9 The following risk is proposed to be redefined by the Risk Owner, as the transition into an Integrated Care System now moves toward establishment with the progression of functional alignment work:
- **CR7 ICS Implementation** to be re-named as "**ICS Implementation and Establishment**".
- 4.10 Following review by the Risk Owner, the following risk is proposed to be closed, as the key outstanding action of 'publication of the Pharmaceutical Needs Assessment' was completed on 31<sup>st</sup> October 2022. No further actions are required to mitigate this risk.
- **CR17 Pharmaceutical Needs Assessment.**

### Planned actions to address the risks

Mitigating actions have been identified and are on track to deliver against all risks not currently at target level.

#### 4.11 Heat Maps

The following heat maps reflects the current and target risk profile in respect to those risks on the corporate risk register:

**Current**

Impact	5			2	6	4
	4			5	1	1
	3			1		
	2					
	1		1			
		1	2	3	4	5
		Likelihood				

**Target**

Impact	5		5	1	1	
	4		5	4		1
	3		1	2		
	2					
	1				1	
		1	2	3	4	5
		Likelihood				

## 5 **Deep Dives**

- 5.1 The purpose of the Deep Dive Report is to promote discussion and closer scrutiny of specific risks selected by the Audit Committee, to ensure appropriate controls are implemented and rationale adequately explained.
- 5.2 At the October meeting, the Audit Committee requested detailed reports in respect of the following 2 risks:
- **CR15 Regeneration and Development;** and,
  - **CR20 Increasing Energy Prices.**
- 5.3 These reports are included within Appendix C for review, analysis and discussion.
- 5.4 In this regard, the Audit Committee are requested to select a further 2 risks from the 18 currently not at target level on the Corporate Risk Register, for Deep Dive analysis at their subsequent meeting.

## 6 **Recommendations**

- 6.1 The Audit Committee is asked to:

- Note the update provided;
- Approve the recommended closure of risk CR17 Pharmaceutical

Needs Assessment

- Approve the re-naming of risk reference CR7 ICS Implementation to “ICS Implementation and Establishment”.
- Receive the Corporate Risk Register at Appendix A;
- Review the Risk Matrix presented at Appendix B;
- Review, analyse and discuss the Deep Dive Reports at Appendix C;
- Determine whether the level of assurance provided against the risks is sufficient; and,
- Select two further risks to receive a “Deep Dive” review to be presented at the next meeting of the Audit Committee.

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# Corporate Risk Register 2022/23 - Quarter 3

Risk Title	Strategic Outcome	Current Score			Target Score			Risk Owner	Key Potential Impacts	Current Controls	Planned Actions	Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
		Likelihood	Impact	Total Score = L*I	Likelihood	Impact	Total Score = L*I								
Financial Sustainability	Economic Growth and Inclusion	5	5	25	3	3	9	S. Evans	<ul style="list-style-type: none"> <li>Significant deficit increase in Dedicated Schools Grant (DSG) potentially resulting in Department of Education warning and intervention and budget restrictions.</li> <li>Public sector spending cuts/ rising inflation/ recovery from the pandemic/ economic recession impacting ability to continue to deliver effective services.</li> <li>Winter demands increasing pressure on ASC budgets.</li> <li>Brexit related pressures such as loss of EU funding, disruption to supply chains and increased inflation.</li> <li>National immigration policies restricting free movement of people could lead to further skills gaps in the workforce.</li> <li>Pressures on pay and pressures within both childrens and adults social care which may in part be due to Brexit but are all part of the wider economic pressures facing the UK at the current time.</li> <li>Financial impact of National Pay Award.</li> <li>Real living wage increase has widened financial gap for Council commissioned services by a further £3m over and above what was already budgeted.</li> <li>Recent Autumn Statement has indicated flat cash which is real terms cuts in Government department budgets which will have an impact on local government settlement in December 2022. Will need to increase Council tax and implement ASC precept to balance the budget.</li> <li>Economic recession will result in increased demand for public services.</li> <li>Rising inflation and interest rates has an impact on the affordability of the Council's capital programme and therefore the major regeneration projects which have already commenced.</li> </ul>	<ul style="list-style-type: none"> <li>Medium Term Financial Strategy updated; monthly monitoring and DfE 'Safety Valve' deficit recovery agreement in place; escalation to Executive Team and Members.</li> <li>Reserve Strategy and Financial Management and reporting refresh.</li> <li>Budget Strategy Principles, complete review of all budgets with a view to a zero based budgeting approach and regular monitoring of budget risk register.</li> <li>DfE Recovery Plan agreed; DfE engagement; Transformation plan priorities agreed with key stakeholders; review of expenditure and rebaselining undertaken; additional capital funding secured for in-borough provision.</li> <li>Continuous refinement of MTFS and budget setting including early work with Exec team and members to identify potential savings to close the financial gap; rationalisation of admin buildings as part of transformation programme to reduce utilities expenditure.</li> <li>Early work with Exec team and members to identify potential savings to close the financial gap; rationalisation of admin buildings as part of transformation programme to reduce utilities expenditure.</li> </ul>	<ul style="list-style-type: none"> <li>Rebaseline of capital programme and closer working with directorates to identify potential pressures earlier in order to put mitigating actions into place - Work has commenced on the capital programme but increasing costs due to inflation is putting extra pressure on budgets.</li> <li>Early implementation of future years savings programmes where possible.</li> <li>Reviewing all potential 'invest to save' schemes which may involve capital spend to reduce ongoing revenue costs. This has taken place as part of the savings plans, the street lighting proposal is one example of this.</li> <li>Lobbying of GMCA and Government for additional funding and support to LAs including the current extension to the dispensation re DSG deficits. The Consultation response on the DSG dispensation has been returned but we are still awaiting an outcome from Government.</li> <li>Use of Kickstart, apprentices and training of existing workforce to ensure a workforce which meets both current and future needs.</li> <li>Revised modelling of MTFS. This is an ongoing process of refinement and the Chartered Institute of Public Finance and Accountancy have also been engaged to undertake a short piece of assurance work.</li> <li>Early engagement with Members and residents to understand financial consequences, financial gaps and savings proposals. This has been ongoing over the summer and as part of formal consultation since the MTFS Cabinet report in October.</li> <li>Wider pay review as part of 'Let's Do it Well' Transformation Programme.</li> </ul>	S. Evans	On target	Static	Feb-23
COVID-19 Impact	Strength-based Approach	3	3	9	3	3	9	P. Lakin	<ul style="list-style-type: none"> <li>New variants further impacting social mobility, lower earning income households and impeding economic recovery.</li> <li>Reduced revenue income to the Council due to COVID-19 – impacting on programme of rent reviews and lease renewals, and effects on businesses that lease our commercial portfolio.</li> <li>Unpaid rental from commercial tenants (unrecovered through government direction) now more challenging to recover due to current inflationary impacts on business.</li> </ul>	<ul style="list-style-type: none"> <li>Local Outbreak Plan in place.</li> <li>Regular liaison with UKHSA re surveillance and monitoring.</li> <li>Vaccination programme.</li> <li>Rent reviews and lease renewals in progress.</li> <li>Tenants have received rent free periods/grants where eligible for assistance from the Council but this was a one-off agreement by Cabinet during Covid.</li> <li>Quarterly Debtors meeting in place to review agreed payment plans and implement new payments plans appropriately.</li> </ul>	<ul style="list-style-type: none"> <li>Review current mitigating controls in context of Government's "Living with COVID-19" plan.</li> <li>Follow UKHSA guidance and keep under regular review.</li> <li>Regular and prompt communication with staff and residents.</li> <li>Targeted comms and engagement to reduce inequalities in vaccine uptake.</li> <li>Maintain residual capacity to stand back-up in response to potential new, more dangerous variants.</li> <li>Review of capacity and outsourcing arrangements.</li> <li>Ongoing monitoring of income budgets with Finance.</li> <li>Awaiting outcomes of Government review into grants and rates relief previously provided to businesses, to identify potential fraudulent claims.</li> </ul>	L. Jones	On target	Static	Feb-23
Security & Resilience	Delivering Together	4	5	20	2	5	10	K. Waterhouse	<ul style="list-style-type: none"> <li>Ongoing national threat from terrorism resulting in potential resurgence of terrorist activity and radicalisation of vulnerable members of community.</li> <li>Crisis in Ukraine following the Russian invasion is also leading to increased risk of cyber attack and community tensions.</li> <li>External threat to data and systems potentially impacting system functionality/causing a data breach.</li> <li>General threat to safety and security of Councillors.</li> </ul>	<ul style="list-style-type: none"> <li>Emergency response policies, Prevent initiative, GM Resilience Forum and Tension Monitoring Report.</li> <li>Training and updated Cyber Essentials Toolkit in place for NHS GM; PCN accreditation renewed annually for the Council.</li> <li>Government guidance shared with parties currently exposed to such attacks. Local Government Assessment Toolkit implemented.</li> <li>Support from LGA and DLUHC now approved to develop Cyber Treatment Plan and undertake remediation activities.</li> <li>Managed Security contract in place from July 2022.</li> <li>Newly appointed Councillors received security awareness training during induction process, following May Elections.</li> </ul>	<ul style="list-style-type: none"> <li>Continued early intervention work and community engagement through the Community Safety Partnership.</li> <li>Further training and investment in cyber security to be progressed against IG Action Plan timeframes.</li> <li>Cyber Essentials accreditation for the Council to be achieved.</li> <li>Newly commissioned TOM to be fully configured by December 2022, new structure to be in place by April 2023.</li> <li>No further actions - situation to remain under review.</li> </ul>	K. Waterhouse	On target	Static	Feb-23
Digital Transformation	Delivering Together	3	4	12	2	4	8	K. Waterhouse	<ul style="list-style-type: none"> <li>Inability to achieve ambition for new ways of working, improved customer and staff experience through delivery of the Digital Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Placement of Digital Strategy in Transformation programme to ensure visibility and deliverability; additional resource approved within the Transformation Strategy.</li> <li>Sign-off for digital spend on Customer Experience Programme, Data Platform and additional management capacity agreed at Cabinet in December 2021.</li> <li>Additional budget for IT service agreed for 2022/23 agreed at February Full Council.</li> </ul>	<ul style="list-style-type: none"> <li>Review of resources across Council IT/Digital functions had resulted in the imminent engagement of specialist company to undertake a full assessment of current structure and required functions. This will be delivered within Q2/Q3.</li> <li>Additional monies to strengthen capacity in the team as per the Transformation Report, work on new Target Operating now in phase 3. New structure to be in place by April 2023.</li> </ul>	K. Waterhouse	On target	Static	Feb-23
Increasing demand pressures	Economic Growth and Inclusion	4	5	20	2	4	8	G. Little	<ul style="list-style-type: none"> <li>Failure to meet Homelessness Statutory Function and delivery.</li> <li>Further impact of Cost of Living Crisis, Afghan and Ukrainian refugee crisis and new Home Office dispersal and resettlement programme - additionally increasing pressure on these services.</li> <li>Failure to transform services likely result in the Council failing to meet its statutory obligations. Adults and children's care facing a significant increase in demand for services.</li> <li>There is a risk of unsustainable demand for adult care services as a consequence of the substantial demand pressures and workforce challenges in the NHS, particularly in relation to volume and acuity of patients requiring discharge.</li> </ul>	<ul style="list-style-type: none"> <li>New Homelessness Strategy, increased statutory dispersed accommodation, development of private rented sector and landlord engagement.</li> <li>Maximise funding opportunities to increase resources &amp; capacity.</li> <li>Robust processes and operating procedures in place.</li> <li>Direct Let priority.</li> <li>System and IT solutions.</li> <li>Increase in statutory dispersed accommodation.</li> <li>New Homelessness Strategy.</li> <li>Development of Private Rented Sector and Landlord engagement.</li> <li>Performance and Improvement meetings with Six Town Housing established to manage KPIs and monitor their performance and outcomes.</li> <li>RSAP - Commissioned contract with Stepping stones to provide 10 units from the PRS on a lease and repair basis over the next 3 years for our rough sleepers.</li> <li>Asylum &amp; Immigration - Pathways developed and engaging with GMCA / RSP to support the Ukrainian refugee crisis. Joint NW / GM consultation feedback on the new Home Office dispersal &amp; resettlement programme due to the increasing numbers of asylum seekers.</li> <li>Regular transformation programme review meetings, scrutiny of the Executive Committee and appropriate reporting to cabinet.</li> <li>Fee setting exercise and cost of care comparisons carried out annually. Close working and relationship building with all providers of care to ensure early warning are in place.</li> <li>Real living wage agreed and funded through contracts for all social care packages.</li> <li>Locality Board review system wide pressures on a monthly basis, in addition to the work of the Urgent Care Board.</li> </ul>	<ul style="list-style-type: none"> <li>Draft tenancy sustainability strategy to prevent homelessness and reduce cases / demand created - reviewed by Council and GMCA. Awaiting further feedback from stakeholders within the homelessness partnership. Still awaiting final draft.</li> <li>Continuing to work alongside the finance team to consider options to increase capacity within existing budgets and explore all new external homeless and asylum funding streams. Delays due to recent finance restructure to provide budget detail. Ukrainian external funding (circa £1m) to pay for asylum &amp; immigration coordinator post to create capacity - recruited + potential for capital / revenue funding to incentivise PRS landlords to increase access to PRS stock to meet increasing demands.</li> <li>External funding opportunities to be maximised. Regular meetings with DLUHC to explore all funding opportunities.</li> <li>Wider work with improving adult lives and the neighbourhoods team linked to PSR and Lets Do It! Strategy outcomes to produce the wider Council strategy in sustaining all tenancies and accommodation.</li> <li>Review of the Allocations Policy + common housing register to increase access to housing association stock - Council approval by March 23.</li> <li>New Choice Based Lettings system - Post April 23 following allocation policy approval - development and introduction of new choice based lettings system for best customer access and less back office work to increase capacity.</li> <li>Homeless Strategy - delivery via the homelessness partnership and steering group - action plan review due to changing and increasing demands.</li> <li>Delivery of the PRS empty homes strategy now that the PRS team have successfully appointed the new Empty homes officer - circa 1000+ long term voids.</li> <li>Market Management Plan to be developed in line with government requirements Q3 22/23.</li> </ul>	P. Cole	On target	Static	Feb-23
Climate Change	Local Neighbourhoods	4	4	16	3	4	12	D. Ball	<ul style="list-style-type: none"> <li>Inability to meet Bury 2038 Carbon Neutral target due to lack of resources and engagement.</li> </ul>	<ul style="list-style-type: none"> <li>Greenhouse Gas Emissions Report for 2021/22 produced and shows the Council has reduced greenhouse gas emissions by 63% since 2008/09.</li> <li>Climate Strategy and Action Plan approved and published in October 2021 following public consultation.</li> <li>Climate Strategic Board established and will form part of the Team Bury Structure.</li> <li>£100k of community action funding distributed to 12 community groups.</li> <li>Successful bid from Six Town Housing and the Council to decarbonise 100 properties on the Chesham Estate in Bury.</li> <li>Bid submitted from Six Town Housing and the Council for Social Housing Decarbonisation round 2 Funding to decarbonise another 200 properties on the Chesham Estate.</li> <li>42% of council vehicles now replaced with low emission vehicles and the remaining 58% are on order (includes 13 electric vans). Infrastructure for charging electric vans installed at Bradley Fold and Bury Cemetery.</li> <li>Climate Strategy and Action Plan approved by Cabinet in October 2021, Climate Action Board and forums under establishment.</li> <li>Public sector Decarbonisation Funding awarded to Bury and used to decarbonise a number of council buildings - completed June 2022.</li> <li>Business climate event hosted.</li> <li>Schools climate event took place 7 July 2022.</li> </ul>	<ul style="list-style-type: none"> <li>E Car Club Pilot operating from Prestwich and Bury.</li> <li>Continued partnership work across GM.</li> <li>Climate Strategic Board will continue to meet Quarterly.</li> <li>Gathering progress reports from projects funded by Climate Action Fund.</li> <li>Continued delivery of Social Housing Decarbonisation bid.</li> <li>Climate action communications plan to be finalised and rolled out.</li> <li>Long term resources need to be secured to deliver Climate Change agenda - officers are temporary to the end of September 2023 and to end of May 2023.</li> <li>Community Environmental Forums to be rolled out in each neighbourhood (2 currently in place).</li> <li>Asset rationalisation programme underway to look at which Council buildings will be disposed of and which will be kept going forward. Decarbonisation measure can then be explored for the buildings the Council will keep.</li> <li>Update of the Climate Action Plan to be completed and presented to the Climate Strategic Board in January 2023.</li> </ul>	L. Swann	On target	Static	Feb-23
ICS Implementation and Establishment	Strength-based Approach	3	4	12	2	4	8	W. Blandamer	<ul style="list-style-type: none"> <li>Disruption to the health and care system caused by establishment of the Integrated Care System (ICS) and winter pressures leading to increasing demands on Adult Social Care services.</li> <li>Implementation - functional alignment review process of establishing GM ICS has the potential to reduce locality focus and capacity of previous CCG staff.</li> </ul>	<ul style="list-style-type: none"> <li>Working closely as a locality as part of our winter plan - both command structure and proactive planning.</li> <li>Collaborative working within the GM SORT meeting, operating as Gold, across the whole GM health and care system.</li> <li>Working with colleagues across the GM system to ensure the GM ICS operating model creates the conditions for our continued place based transformation, and NCA footprint partners to continue to advocate for the place based approach; building and starting to operate the new Bury Health and Care System Partnership arrangements (including the Locality Board) to provide confidence and assurance of our arrangements.</li> <li>Issues and risks escalated to Integration Delivery Collaborative Board and to Locality Board.</li> <li>Representation on the Functional Alignment Steering Group and Check &amp; Challenge Board.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to work with GM partners as GM operating model develops.</li> <li>Transformation plans continue to be monitored monthly through IDC Board.</li> <li>Transformation Board and Adult Social Care Savings and Transformation Programme also reported to Cabinet.</li> <li>Bespoke communication approach to address this agenda.</li> </ul>	W. Blandamer	On target	Static	Feb-23

Workforce Skills & Capability	Economic Growth and Inclusion	5	5	25	3	4	12	S. McVaigh	<ul style="list-style-type: none"><li>• Adverse impact on delivery of Council priorities should the workforce capability and capacity prove insufficient, as the result of a lack of investment in employee development and / or an inability to fill key roles. Likelihood increased given current regional and national recruitment challenges across a range of roles.</li><li>• National shortage of Social Workers, recent Children's department restructure sees the creation of a number of posts, however services continue to run with a high level of agency staff.</li></ul>	<ul style="list-style-type: none"><li>• Prioritisation through the Corporate Plan resulting in investment in additional capacity in key areas and development of Apprenticeship strategy; policies review; improved utilisation of iTrent programme.</li><li>• Agreed TU Consultation Framework.</li><li>• Clear delivery plan in place.</li><li>• Good existing relationship between the Council and Trade Unions.</li><li>• Regular employee communications.</li><li>• Additional Transformation capacity in place.</li><li>• Agreed recruitment and retention strategies for both Childrens and Adults Social Care.</li></ul>	<ul style="list-style-type: none"><li>• Continued focus on prioritisation, training and development to be considered in new People Strategy; further investment through Transformation Programme and development of a Talent Strategy.</li><li>• Resource planning for key new priorities e.g. ULF and Children's Improvement.</li><li>• Review existing processes for consultation and agreement.</li><li>• Refresh and update core policies and procedures.</li><li>• Values and behaviours work and wider focus on engagement linked to Pulse Survey.</li><li>• New core management development programme developed and leadership engagement offer.</li><li>• Developing action plan to streamline recruitment process and strengthen approach to role advertisement.</li><li>• Strengthened approach to employee engagement.</li><li>• Work to strengthen our recruitment approach including increased use of social media, targeted recruitment to under represented groups and simplified processes.</li></ul>	S. McVaigh	On target	Static	Feb-23
Building Management (Operational Health & Safety)	Local Neighbourhoods	4	5	20	3	5	15	D. Ball	<ul style="list-style-type: none"><li>• Breach of Health and Safety legislation leading to prosecution under the Corporate Manslaughter Act and other Health and Safety Regulations.</li><li>• Council buildings, facilities and premises must provide safe and effective environments for all building occupants that use them.</li></ul>	<ul style="list-style-type: none"><li>• Corporate Health and Safety independent audit undertaken with formal report, findings and recommendations.</li><li>• Establishment of Estates Transformation Board.</li><li>• Establishment of a "Health and Safety Taskforce" with Union representation, to oversee delivery against internal audit recommendations implemented through an improvement plan.</li><li>• Development of a Corporate Landlord underway including: establishment of Corporate Landlord budget; recruitment of interim Decant Project Manager and support from external partners.</li><li>• Work underway to look at the future needs of education and Six Town Housing.</li><li>• Current working practices (Mangers responsible for own buildings) remain in place until the formal establishment and handover to a Corporate Landlord.</li><li>• Whittaker Street decanted and being prepared for sale.</li></ul>	<ul style="list-style-type: none"><li>• External third party appointed to Board to oversee and support the review of the long list of buildings to rationalise the estate and draft list now agreed with revenue costs. Greater understanding of which buildings are in use or leased.</li><li>• Accelerated disposals programme to be initiated under the Estates Transformation Project, arising from the external review.</li><li>• Continued establishment of a Corporate Landlord (scheduled April 2023).</li><li>• Undertake a desktop audit of buildings that will be retained, to assess compliance status.</li></ul>	D. Ball	On target	Static	Feb-23
Children's Social Care Services	Economic Growth and Inclusion	3	5	15	2	5	10	J. Richards	<ul style="list-style-type: none"><li>• Children left in harmful situations and risk.</li><li>• Following the inadequate ILACs Judgement in October 2021 the improvement plan fails to deliver the pace of change needed which is reflected in poor monitoring visits from Ofsted and leaves the service and Council at risk to a greater level of intervention from the DFE.</li><li>• High caseloads continue to lead to social worker high turnover which then impacts on children, families and partners.</li><li>• Following the inadequate judgement recruitment has become more challenging leading to high staff turnover from senior leaders through to frontline staff, making it difficult to do what is most important - turning around services for children, young people and families in need.</li><li>• Budget pressures associated with the escalating cost of commissioned placements - planned actions - meets fortnightly.</li></ul>	<ul style="list-style-type: none"><li>• Post Ofsted Improvement Plan which has been accepted by Ofsted and the DFE.</li><li>• Independently Chaired Improvement Board with key partners to monitor impact of the improvement Plan.</li><li>• Regular DFE reviews.</li><li>• Regular Ofsted Monitoring visits – the second has shown positive signs of progress.</li><li>• Recruitment and Retention plan following full review aimed at attracting committed professionals to Bury.</li><li>• Permanent senior team in place following permanent appointment of Principal Social Worker in August 2022 and permanent appointment to Director of Social Care Practice, September 2022.</li><li>• Revised QA and audit processes in place.</li><li>• Developed workforce development offer.</li><li>• 3 Managed Services in place whilst restructure proposals are being considered to impact on reducing social worker caseloads across the service.</li><li>• Placement Panel established, their role is to gatekeep requests for high cost placements and review those in high cost provision - meets fortnightly.</li><li>• Restructure agreed bringing enhanced capacity and management oversight.</li></ul>	<ul style="list-style-type: none"><li>• Continue with a rolling recruitment programme to maintain the focus on recruitment and retention and ensuring increased stability in the workforce.</li><li>• Continue to develop and strengthen QA processes to ensure audits lead to improved practice.</li><li>• Restructure agreed and is being implemented.</li><li>• Revise actions in response to the findings from the second Ofsted Monitoring Visit.</li><li>• Work plan to be developed for the Principal Social Worker to lead on improvements to the Quality of Practice and the development of a new practice model.</li><li>• Additional two senior roles joining leadership team in November 2022 focused on improvement.</li></ul>	J. Richards	On target	Decreased	Feb-23
Regulatory Compliance	Delivering Together	3	4	12	3	4	12	J. Dennis	<ul style="list-style-type: none"><li>• Failure to meet the requirements of data protection legislation and good information governance practice / serious data breach.</li></ul>	<ul style="list-style-type: none"><li>• Significant progress to completion of actions on ICO Workplan.</li><li>• IG policies and procedures reviewed and approved by IGSG.</li><li>• Comprehensive IG/Cyber Security training programme implemented.</li><li>• Data Breach monitoring and processes significantly enhanced.</li><li>• Network of IG Champions refreshed and re-established.</li><li>• IG risk management strategy implemented, including required completion of Data Protection Impact Assessments for any project involving the processing of personal data.</li><li>• Staff induction process and system access implemented.</li><li>• IG KPIs reviewed.</li><li>• IG strategy developed for both Council and Bury CCG reviewed for DSPT submission.</li><li>• 2021/22 DSPT submitted and Standards Met maintained.</li><li>• Internal Audit review completed.</li><li>• ICO Workplan assessed April 2022 - satisfied outcome with no further actions set.</li><li>• Six monthly reporting to Audit committee to ensure that the work is embedded across the Council.</li></ul>	<ul style="list-style-type: none"><li>• Information Security Policy updated - requires finalisation.</li><li>• Ongoing development of an annual review/refresh process for the Record of Processing Activity.</li></ul>	M. Connor	On target	Static	Feb-23
Staff Safety & Wellbeing	Economic Growth and Inclusion	3	4	12	2	4	8	S. McVaigh	<ul style="list-style-type: none"><li>• Staff wellbeing, welfare and morale may potentially result in increased cases of stress, depression and general absence, thereby impacting service delivery.</li><li>• Harm to staff and potential legal and financial implications for the authority of failure to comply with health and safety legislation.</li></ul>	<ul style="list-style-type: none"><li>• Corporate Health &amp; Safety Team moved under the leadership of the Director of People.</li><li>• Health &amp; Safety Policy reviewed and new incident reporting process live.</li><li>• Health and Safety staff drop in sessions</li><li>• Robust governance arrangements, action planning and partnership working with the TUs now in place</li><li>• Employee assistance programme and comprehensive health and wellbeing offer in place which incorporates mental wellbeing support.</li><li>• Targeted improvement plan for sickness absence levels, including focus on hotspot services</li></ul>	<ul style="list-style-type: none"><li>• Delivery of annual Health and Safety plan including service level risk assessment needs checkers and targeted deep dive audits</li><li>• Roll out of mental health and health and safety training as part of mandatory training programme for managers.</li><li>• Delivery of targeted action plan related to staff sickness absence.</li><li>• Review of health and safety related training.</li><li>• Review of occupational health function.</li></ul>	S. McVaigh	On target	Static	Feb-23
Regeneration & Development	Local Neighbourhoods	4	5	20	2	5	10	P. Lakin	<ul style="list-style-type: none"><li>• Northern Gateway - failure to grasp opportunity presented by the largest regeneration project to impact this part of the country.</li><li>• Challenges faced in driving inclusive growth within the region, impacted by a slow housing market and accessing up to date planning policies.</li><li>• Rising construction inflation and interest rate shifts increasing cost of delivering town centre regeneration and housing programmes.</li></ul>	<ul style="list-style-type: none"><li>• Detailed working with the JV and Rochdale Council around Northern Gateway has allowed parties to work collectively on a major inward investment project, which has brought national attention to the potential of the site.</li><li>• Progression of Development Plan through to examination.</li><li>• Hire staff and experts in the field.</li><li>• Establishment of Projects Board and give delegated powers.</li><li>• Cost plans for the 'levelling up' bids show increased construction inflation, options being worked through for value-engineering and review of overall specification.</li></ul>	<ul style="list-style-type: none"><li>• Continue to explore funding opportunities - linked to various regeneration schemes: BGI will keep abreast of up-and-coming funding sources through regular contact with GMCA and other public bodies and will work with colleagues to ensure that opportunities are explored, and subsequent applications made for regeneration/development projects.</li><li>• The Examination process is continuing to review the Submitted Places for Everyone Plan. This will run until the end of March 2023 with any resulting consultations to be considered and responded to.</li><li>• Value engineering activity / scope reduction in design development for major regeneration projects.</li></ul>	R. Summerfield C. Logue	On target	Static	Feb-23
Special Educational Needs and Disabilities	Economic Growth and Inclusion	4	5	20	2	5	10	J. Richards	<ul style="list-style-type: none"><li>• Current reduction in SEND tribunals is reversed.</li><li>• Further increase in LGO ombudsman complaints and general complaints.</li><li>• Further loss of parental trust.</li><li>• reduction in compliance in regard to 20 week which has improved.</li><li>• Poor Ofsted CCQ inspection on new January framework impacting further on reputation.</li><li>• Increase in EHCP assessments which is disproportionate to population increases sufficiency issues.</li><li>• 45% increase in EHCP referrals putting increased pressure on system and Council has difficulties meeting provision within EHCPs and increased pressure on SEND special school place sufficiency.</li></ul>	<ul style="list-style-type: none"><li>• SEND Assurance Board and plan - with revised Governance.</li><li>• External programme support transformation and delivery plan with two weekly Governance and workstream accountability; Detailed risk register and detailed workstream tracker in place - this has resulted in improved 20 week compliance.</li><li>• Recruitment plan including induction and workforce training has led to strategic lead for SEND starting in May 2022 with EHCP team manager started in August 2022.</li><li>• Co-production with strategic partner Bury2Gether.</li><li>• Increased capacity in EHCP team. Increased investment in data case surgeries and inclusion surgeries now in place.</li><li>• Graduated response has been co-produced and was launched in October 2022.</li><li>• Seconded Headteacher developing continuum of provision and signposting to outreach.</li><li>• Local Offer Newsletter continues to be well received.</li><li>• School roof:<ul style="list-style-type: none"><li>- Fortnightly steering group meeting within Bury Council with legal, education and operations</li><li>- Regular meetings between building companies' regional director, AD operations and Director of Education</li><li>- Weekly meetings within school holding builders in account for progress plan</li><li>- Engaged independent company to assure all plans and structural solutions</li><li>- Monthly roof checks.</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Continue to develop training offer for Statutory assessment team to focus on case resolution, Case surgeries and inclusion service surgeries to continue.</li><li>• Co-produce and pilot work around EHCP processes bringing parents earlier in the process including the advice with EP service advising.</li><li>• Second a social worker to the EHCP team to ensure social care advice is statutory.</li><li>• Develop comprehensive outreach offer to support the school system in earlier identification and meeting of needs.</li><li>• School roof:<ul style="list-style-type: none"><li>- Independent assurance to continue to check all plans and building as the programme of work progresses .</li><li>- To continue steering group meetings, independent engagement of assurance of works and to continue engaging with regional director and school.</li></ul></li></ul>	M. Kemp/ I. Booter	On target	Static	Feb-23
Pharmaceutical Needs Assessment	Strength-based Approach	2	1	2	4	1	4	W. Blandamer	<ul style="list-style-type: none"><li>• Failure to meet statutory deadline for publication of the Pharmaceutical Needs Assessment (31 October 2022)</li></ul>	<ul style="list-style-type: none"><li>• Establishment of PNA Steering Group.</li><li>• Health and Wellbeing Board approved revised timescales on 3 March 2021.</li><li>• Final draft presented to Health and Wellbeing Board for final ratification 20 October 2022.</li><li>• PNA published 31 October 2022.</li></ul>	<ul style="list-style-type: none"><li>• No further actions due.</li></ul>	L. Jones	On target	Static	-
Financial Capacity	Economic Growth and Inclusion	5	4	20	2	4	8	S. Evans	<ul style="list-style-type: none"><li>• Lack of finance capacity leads to budget holders not receiving a quality service that supports them across a range of functions such as :<ul style="list-style-type: none"><li>• to control costs,</li><li>• manage their budgets,</li><li>• identify and deliver savings,</li><li>• identify and maximise opportunities to generate additional income or external funding for projects,</li><li>• to submit government and funding returns,</li><li>• be supported in financial business case development for project work.</li></ul></li><li>• Senior members of the finance department undertaking pieces of work that should be completed by capable qualified staff - resulting in additional pressure on a few key individuals.</li><li>• The interim market is becoming increasingly fierce with interims demanding inflated costs to do roles that require permanent placement. Due to the number of years the finance restructure had previously been put on hold, currently there are more interims in some senior roles than permanent staff - this is causing significant risk due to the high profile and complexity of some of the work programmes.</li></ul>	<ul style="list-style-type: none"><li>• Close monitoring and prioritising of all asks for support including reassigning staff to meet high profile/risk pieces of work.</li><li>• Two senior posts have been recruited to internally. Offers have been made and we are in the pre employment checks process for the Chief Accountants post and a finance business partner with a further business partner being recruited through internal promotion. The risk manager has also been appointed internally. There are a significant number of interviews taking place during November and December but there are some posts which will have to be recruited externally.</li></ul>	<ul style="list-style-type: none"><li>• Continuing to progress the outcomes of the consultation for the restructure in order to commence external permanent to posts.</li><li>• Continued use of interims, and also double running through the use of the capacity reserve where necessary to support services with developing and delivering savings as part of closing the budget gap and also in relation to the Councils annual accounts process.</li></ul>	P. Turney	On target	Static	Feb-23

Increasing Energy Prices	Economic Growth and Inclusion	5	5	25	5	4	20	D. Ball	<ul style="list-style-type: none"> <li>As a result of the global increase in energy prices, Bury Council has seen a significant increase in expected gas and electricity costs for the 2022/23 financial year.</li> <li>Early indications are that energy prices are likely to increase further in 2023/24.</li> </ul>	<ul style="list-style-type: none"> <li>Working group established to manage the increase in energy prices.</li> <li>Delivery of the following building decarbonisation measures using funding from the Public Sector Decarbonisation Scheme (PSDS): <ul style="list-style-type: none"> <li>6 x solar PV</li> <li>2 x double glazing</li> <li>1 x new variable refrigerant flow (VRF) heating system.</li> </ul> </li> <li>Report agreed by Cabinet in September 2022 to utilise the YPO Framework for the purchase of electricity for the next 4 years starting in April 2023.</li> <li>Regular updates provided to Exec Team and to Schools in relation to rising costs.</li> <li>Newly developed Carbon Literacy Training module available for staff.</li> </ul>	<ul style="list-style-type: none"> <li>Business case to consider options to reduce street lighting costs submitted and awaiting approval.</li> <li>Building/Estate Rationalisation Programme - reviews currently taking place.</li> <li>To start a communications campaign to educate staff and Bury residents on methods to reduce energy use.</li> <li>To make the newly developed Carbon Literacy training module mandatory for all staff.</li> <li>Centralising energy budgets across the Council to be managed by the Energy Team going forward.</li> <li>Further energy saving opportunities being investigated by Energy Saving Working Group.</li> <li>Impact of Government Energy Price Guarantee announcement on Council energy bills to be explored and confirmed.</li> </ul>	L. Swann J. Kelly	On target	Static	Feb-23
Project Safety Valve	Economic Growth and Inclusion	4	5	20	2	5	10	J. Richards	<ul style="list-style-type: none"> <li>Risk of BMBC being withdrawn from Project Safety Valve (PSV) due to increased activity and therefore not reducing the deficit on the DSG (Dedicated Schools Grant) resulting in a loss of in excess of £10M of funding.</li> <li>Bury Council does not meet the 5 conditions as set out in the PSV agreement which would result in additional payments being withheld or withdrawn and Reserves would be needed to be used to pay DSG deficit</li> <li>Increase in levels of need post Covid and 45% in EHCP assessments mean that finance targets in the eradication of the deficit are not met due to the continued lack of SEND sufficiency in Bury and the continued need for OOB places.</li> <li>The latest PSV forecast is that expenditure on the dedicated schools grant high needs block (DSG HNB) is going to be higher in the 2022/23 financial year than what was previously predicted in the forecast submitted in June, as a result of increasing demand which has significantly increased reliance on independent schools.</li> </ul>	<ul style="list-style-type: none"> <li>PSV Delivery Board Governance has been strengthened with monthly monitoring in place.</li> <li>Internal programme support transformation and delivery plan with two weekly workstream accountability, detailed risk register and detailed workstream tracker in place - this has resulted in improved 20 week compliance.</li> <li>Recruitment plan including induction and workforce training has been implemented. EHCP Team Manager started August 2022. EHCP staff recruited.</li> <li>Co-production with strategic partner Bury2gether.</li> <li>Increased capacity in EHCP team.</li> <li>Quarterly reporting on all aspects include finance.</li> <li>A revised programme governance structure has strengthened monitoring and delivery of the necessary cost reduction initiatives through the Schools capital Board, PSV programme has been mainstreamed from external project management to internal.</li> </ul>	<ul style="list-style-type: none"> <li>Implement Finance mitigation plan through detailed project plans.</li> <li>Weekly meetings between the service and Finance to ensure mitigation plan achieves £1.8m.</li> <li>Continue ongoing with Liquid Logic to link finance information with the EHCP team to allow real time finance reporting.</li> <li>Revise Special School top up bandings; finalise arrangements for criteria to support further moderation of bandings in special school allocation.</li> <li>Embed launch of Graduated Approach.</li> <li>Second phase of Childrens restructure to ensure enhanced training capacity around SEND within the system.</li> <li>Finance to develop tracking and reporting mechanisms on progress against PSV.</li> </ul>	I. Booter	On target	Static	Feb-23
Adult Social Care Reforms	Economic Growth and Inclusion	3	5	15	3	4	12	W. Blandamer	<ul style="list-style-type: none"> <li>The Council fails to carry out fair cost of care implementation and risks sanction by the Government.</li> <li>Carrying out the 'fair cost of care' exercise is likely to result in a large increase in payments to care providers, which are not covered by the additional Government funding.</li> <li>There is insufficient workforce or Government funding for additional workforce to carry out the assessments required to enable customers to access their care accounts.</li> <li>Further contribution to the Council's financial pressures.</li> </ul>	<ul style="list-style-type: none"> <li>The exercise will be carried out alongside 9 other Local Authorities in Greater Manchester and 22 in the North West.</li> <li>Working groups have been set up to share information and plan fee setting collaboratively.</li> <li>Briefing paper on Adult Social Care reforms submitted to Cabinet, Scrutiny and Locality Board.</li> <li>Project Manager appointed to oversee implementation of reforms.</li> <li>Fair Cost of Care exercise undertaken and submitted.</li> </ul>	<ul style="list-style-type: none"> <li>GM working group to be established.</li> <li>Further analysis of cost of care to be undertaken.</li> </ul>	A.Crook	On target	Static	Feb-23
Elections Act 2022	Delivering Together	5	5	25	4	5	20	J.Dennis	<ul style="list-style-type: none"> <li>The Returning Officer will be unable to implement the Elections Act 2022 if key policy details are not confirmed and secondary legislation not published in adequate time.</li> <li>The democratic legitimacy of the Council could be undermined, increasing the risk of challenge by petition following the elections.</li> <li>Voter ID may not be successfully introduced, with certain groups more likely to be disadvantaged than others, resulting in increased inequalities.</li> <li>There may be recruitment issues in attracting polling staff, as they will have greater responsibilities, including challenging voters in regard to ID verification.</li> <li>There may be insufficient polling stations, as not all existing stations may continue to be suitable due to the need for privacy areas.</li> </ul>	<ul style="list-style-type: none"> <li>Additional financing will be provided from the Government for implementation, but this will only cover the costs associated with Voter ID, not additional election costs.</li> <li>An implementation plan is in place with key deadlines.</li> <li>Provision of a training session to the Democratic Arrangement Forum, Senior Leaders Group and Corporate Core Management team.</li> <li>Sessions have been scheduled to brief each political group.</li> <li>An Officer from the Combined Authority is working with all 10 Local Authorities to see how best practice can be shared.</li> <li>There will be a Combined Authority Communications strategy to ensure that there are consistent messages across the GM footprint.</li> </ul>	<ul style="list-style-type: none"> <li>The Elections Board will manage the implementation, the Returning Officer will consider the demographics and harder to reach parts of the electorate and the support they will require. Members training will be provided to increase awareness and assist in the communication of key messages.</li> <li>A review of polling stations will be undertaken to determine which are suitable.</li> <li>Job roles for election staff will be updated to provide clarification on what is required and to assist in arriving at an appropriate fee.</li> <li>Secondary legislation has been recently received and is currently undergoing review.</li> <li>Funding from the Government is yet to be confirmed before further actions can be planned.</li> </ul>	J.Dennis / R.Eventtt	On target	Static	Feb-23
Housing Conditions (Damp Mould and Condensation)	Local Neighbourhoods	3	4	12	2	3	6	L. Cook	<ul style="list-style-type: none"> <li>Negative impact on resident health and wellbeing resulting from unsatisfactory housing conditions.</li> <li>Poor management of disrepair claims in public and private sector housing and insufficiently robust processes during litigation.</li> <li>Inability to deliver proactive support to landlords and tenants to address existing housing concerns as a result of limitations on current capacity.</li> <li>Risk of adverse publicity and reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>Emergency Board session called by Six Town Housing (24th November 2022) to review the Coroner's Report and ask key questions.</li> <li>Director of Housing has written to all Housing Association partners operating to the Borough to gain assurance on conditions of non-Council stock.</li> </ul>	<ul style="list-style-type: none"> <li>Response to be provided to DLHNC.</li> <li>Review responses in private and public sector housing.</li> <li>Develop Communications plan/ awareness campaigns.</li> <li>Consider how issues and cases can be highlighted through the neighbourhood model.</li> <li>Identification of Council homes which have structural defects or are considered to be 'at risk properties' Six Town Housing collating data</li> <li>Disrepairs process to be reviewed to ensure the policy of not undertaking repairs whilst in litigation is not the practice. - positively confirmed</li> <li>Review of all reports recording the presence of damp and mould</li> <li>Review any homes that have heating concerns or energy supply issues.</li> <li>Refresh "eyes wide open" process to ensure all staff are reporting issues and concerns &amp; communication and customer pathways for complaints and being heard - review</li> <li>Review Safeguarding referrals where property condition is a factor, including oversight and communications within the health system - connections between health and housing.</li> <li>Legal services currently undertaking an audit of disrepair claims.</li> <li>Establishment of a separate complaints stream to triage damp, condensation and mould claims from private sector tenants.</li> <li>A proposal for a Good Landlord Scheme to be drafted and presented to GMCA.</li> <li>Outcomes to be differentiated between Council-owned vs Housing Association stock.</li> </ul>	L. Cook	On target	New	Feb-23

Corporate Risk Register 2022/23 - Closed Risks

Risk Title	Strategic Outcome	Current Score			Target Score			Risk Owner	Key Potential Impacts	Current Controls	Planned Actions	Responsible Officer	Risk Action Status	Trend	Date Closed	Risk Manager Observations
		Likelihood	Impact	Total Score = L+I	Likelihood	Impact	Total Score = L+I									
Elections	Delivering Together	1	4	4	1	4	4	J. Dennis	<ul style="list-style-type: none"><li>• Potential legal challenge and reputational damage if the Council is unable to effectively deliver the May 2022 Elections.</li><li>• Personal liabilities to the Returning Officer.</li></ul>	<ul style="list-style-type: none"><li>• Election planning on track.</li><li>• Review of polling stations and regular reports submitted to member Group.</li><li>• Oversight by the Director of Law and Governance.</li><li>• Legislative changes reviewed regularly to assess impact on Bury.</li><li>• Robust planning - better links with other GM authorities.</li><li>• Early engagement with candidates and agents.</li><li>• National (Government and Electoral Commission), regional (AGMA and GM Elections Managers) and local guidance.</li><li>• Elections Project Board in place with agreed delivery plan.</li><li>• Lessons Learned ( from previous election) action plan delivered in collaboration with the Returning Officer, DRO's and Election Manager.</li><li>• Approved printers as part of AGMA consortium.</li><li>• 2022 Elections successfully delivered.</li></ul>	<ul style="list-style-type: none"><li>• No further actions required.</li></ul>	Jacqui Dennis / Rachel Everitt	Complete	Decreased	Jul-22	Target risk score achieved
PSN Accreditation	Strength-based Approach	1	4	4	1	4	4	K. Waterhouse	<ul style="list-style-type: none"><li>• Council's status as a secure partner is at risk.</li></ul>	<ul style="list-style-type: none"><li>• Additional cyber security work is being undertaken to reduce risk whilst remediation work takes place. This includes an external funded cyber treatment plan and further upgrades to Microsoft E5 licenses for high risk individuals.</li><li>• All 2008 Servers removed.</li><li>• PSN accreditation accomplished.</li></ul>	<ul style="list-style-type: none"><li>• No further actions required.</li></ul>	S. Denton	Complete	Decreased	Jul-22	Target risk score achieved
EU Exit Impacts	Economic Growth and Inclusion	5	3	15	4	2	8	S. Evans	<ul style="list-style-type: none"><li>• Inflation: increased inflationary pressures as a consequence of Brexit and recovery from the pandemic.</li><li>• Disruption to supply chains.</li><li>• Loss of EU funding may, if not replaced by Government, pose a risk to economic and social programmes of the Council.</li><li>• National immigrations policies restricting free movement of people could lead to further skills gaps in the workforce.</li></ul>	<ul style="list-style-type: none"><li>• Early work with Exec team and members to identify potential savings to close the financial gap; rationalisation of admin buildings as part of transformation programme to reduce utilities expenditure.</li><li>• Complete review of all budgets with a view to a zero based budgeting approach.</li><li>• Continuous refinement of MTFS and budget setting as more information becomes available; engagement with and identification of efficiencies with all departments.</li></ul>	<ul style="list-style-type: none"><li>• Piloting the use of grant finder software to ensure all potential grants to the borough are accessed where appropriate.</li><li>• Use of Kickstart, apprentices and training of existing workforce to ensure a workforce which meets both current and future needs.</li></ul>	S. Evans	On target	Static	Oct-22	Merged with risk reference CR1: Financial Sustainability. Unable to differentiate what is caused by Brexit and what is as a result of the current economic climate. Actions/impacts remain the same for both.
Special School Roof	Economic Growth and Inclusion	4	5	20	2	5	10	I.Booler	<ul style="list-style-type: none"><li>•Roof collapses</li><li>•Millwood Primary Special School unable to increase places putting further strain on the high needs block due to increased demand in the primary sector.</li><li>• Council and School are unable to provide the legal obligations under the EHCP e.g. hydrotherapy.</li><li>•Limitation of the building impacts on quality of the provision and quality of education impacting negatively on Ofsted judgement.</li></ul>	<ul style="list-style-type: none"><li>•Fortnightly steering group meeting within Bury Council with legal, education and operations.</li><li>•Regular meetings between building companies' regional director, AD operations and Director of Education.</li><li>•Weekly meetings within school holding builders in account for progress plan.</li><li>•Engaged independent company to assure all plans and structural solutions.</li><li>•Monthly roof checks</li><li>•May 22 - full extensive safety checks on props as they had been in situ for 18 months.</li></ul>	<ul style="list-style-type: none"><li>•Independent assurance to check all plans and building as the programme of work progresses through the summer.</li><li>•To continue steering group meetings, independent engagement of assurance of works and to continue engaging with regional director and school.</li></ul>	I.Booler	On target	New	Oct-22	Merged with risk reference CR16: Special Educational Needs and Disabilities.



## Appendix B – Risk Matrix

## Quantitative Measure of Risk – Impact / Consequence Score

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
AT RISK	Very Low	Minor	Moderate	High	Severe
<b>EXAMPLES : NEW POLITICAL ARRANGEMENTS, POLITICAL PERSONALITIES, POLITICAL MAKE-UP</b>					
<b>POLITICAL</b> Associated with the failure to deliver either local or central government policy or meet the local administrations manifest commitment	The risk will result in a minor delay, inconvenience  Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption.  Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources.  Good opportunity to innovate/improve missed.  Moderate impact on efficiency, output, quality.  Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed.  Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed.  Difficult to recover from and may require a long-term recovery plan/period.
<b>EXAMPLES : COST OF LIVING, CHANGES IN INTEREST RATES, INFLATION, POVERTY INDICATORS</b>					
<b>ECONOMICAL</b> Affecting the ability to meet financial commitments. These include budgetary pressures, the failure to purchase adequate insurance cover, external macro level economic changes or proposed investment decisions	The risk will result in a minor delay, inconvenience  Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption.  Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources.  Good opportunity to innovate/improve missed.  Moderate impact on efficiency, output, quality.  Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed.  Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed.  Difficult to recover from and may require a long-term recovery plan/period.
<b>EXAMPLES : STAFF LEVELS FROM AVAILABLE WORKFORCE, AGEING POPULATION, HEALTH STATISTICS</b>					
<b>SOCIAL</b> Relating to the effects of changes in demographic, residential or social economic trends on council's ability to meet its objectives	The risk will result in a minor delay, inconvenience  Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption.  Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources.  Good opportunity to innovate/improve missed.  Moderate impact on efficiency, output, quality.  Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed.  Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed.  Difficult to recover from and may require a long-term recovery plan/period.

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
AT RISK	Very Low	Minor	Moderate	High	Severe
<b>TECHNOLOGICAL</b> Associated with the capacity of the Council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands. May also include consequences of internal technological failures on the Council's ability to deliver its objectives	The risk will result in a minor delay, inconvenience  Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption.  Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources.  Good opportunity to innovate/improve missed.  Moderate impact on efficiency, output, quality.  Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed.  Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed.  Difficult to recover from and may require a long-term recovery plan/period.
<b>EXAMPLES : HUMAN RIGHTS, TUPE REGULATIONS, DATA PROTECTION</b>					
<b>LEGISLATIVE/LEGAL</b> Associated with current or potential changes in national or European law	The risk will result in a minor delay, inconvenience  Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption.  Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources.  Good opportunity to innovate/improve missed.  Moderate impact on efficiency, output, quality.  Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed.  Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed.  Difficult to recover from and may require a long-term recovery plan/period.
<b>EXAMPLES : LAND USE, RECYCLING, POLLUTION, WASTE MANAGEMENT</b>					
<b>ENVIRONMENTAL</b> Relating to the environmental consequences of progressing the council's strategic objectives	The risk will result in a minor delay, inconvenience  Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption.  Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources.  Good opportunity to innovate/improve missed.  Moderate impact on efficiency, output, quality.  Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed.  Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed.  Difficult to recover from and may require a long-term recovery plan/period.

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
AT RISK	Very Low	Minor	Moderate	High	Severe
<b>EXAMPLES : STAFF RESTRUCTURE, CAPACITY, TRAINING, WORKFORCE NEEDS</b>					
<b>PROFESSIONAL / MANAGERIAL</b> Associated with the particular nature of each profession, internal protocols and managerial abilities	The risk will result in a minor delay, inconvenience  Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption.  Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources.  Good opportunity to innovate/improve missed.  Moderate impact on efficiency, output, quality.  Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed.  Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed.  Difficult to recover from and may require a long-term recovery plan/period.
<b>EXAMPLES : BUDGET OVERSPENDS, LEVEL OF COUNCIL TAX, LEVEL OF RESERVES</b>					
<b>FINANCIAL</b> Associated with financial planning and control	Small  Loss>£100  The risk will result in a minor delay, inconvenience  Can be managed no real impact upon service.	Loss>£1,000  The risk will result in a minor loss, delay, inconvenience, interruption.  Opportunity to innovate/make minor improvements missed. Short term effect.	Loss>£10,000  The risk will result in a waste of time and resources.  Good opportunity to innovate/improve missed.  Moderate impact on efficiency, output, quality.  Medium term effect which may be costly to recover from.	Loss>£100,000  .  The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed.  Medium to long term effect and expensive to recover from	Loss>£1,000,000  The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed.  Difficult to recover from and may require a long-term recovery plan/period.
<b>EXAMPLES : SECURITY, ACCIDENTS, HEALTH &amp; SAFETY, HAZARDS, FIRE</b>					
<b>PHYSICAL</b> Related to fire, security, accident prevention and health and safety	The risk will result in a minor delay, inconvenience  Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption.  Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources.  Good opportunity to innovate/improve missed.  Moderate impact on efficiency, output, quality.  Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed.  Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed.  Difficult to recover from and may require a long-term recovery plan/period.

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
AT RISK	Very Low	Minor	Moderate	High	Severe
<b>EXAMPLES : CONTRACTOR FAILS TO DELIVER, PARTNERSHIP AGENCIS WITH CONFLICTING GOALS</b>					
<b>PARTNERSHIP/CONTACTUAL</b> Associated with failure of contractors and partnership arrangements to deliver services or products to the agreed costs and specification	The risk will result in a minor delay, inconvenience  Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption.  Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources.  Good opportunity to innovate/improve missed.  Moderate impact on efficiency, output, quality.  Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed.  Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed.  Difficult to recover from and may require a long-term recovery plan/period.
<b>EXAMPLES : STANDARDS NOT MET, ACCREDITATION,</b>					
<b>COMPETITIVE</b> Affecting the competitiveness of the service (in terms of cost or quality) and/or its ability to deliver best value	The risk will result in a minor delay, inconvenience  Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption.  Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources.  Good opportunity to innovate/improve missed.  Moderate impact on efficiency, output, quality.  Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed.  Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed.  Difficult to recover from and may require a long-term recovery plan/period.
<b>EXAMPLES : MANAGING EXPECTATIONS, COMPLAINTS, CONSULTATION, COMMUNICATION EXTERNALLY</b>					
<b>CUSTOMER/CITIZEN</b> Associated with failure to meet the current and changing needs and expectations of customers and citizens	The risk will result in a minor delay, inconvenience  Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption.  Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources.  Good opportunity to innovate/improve missed.  Moderate impact on efficiency, output, quality.  Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed.  Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed.  Difficult to recover from and may require a long-term recovery plan/period.

### Qualitative measure of risk – Likelihood Score

Descriptor	1	2	3	4	5
	Rare	Unlikely	Possible	Likely	Almost certain
<b>Frequency</b> Time framed descriptors	Not expected to occur for years	Expected to occur annually	Expected to occur monthly	Expected to occur weekly	Expected to occur daily
<b>Frequency</b> Broad descriptors	Will only occur in exceptional circumstances	Unlikely to occur	Reasonable chance of occurring	Likely to occur	More likely to occur than not occur
<b>Probability</b>	1-9% chance	10-24% chance	25-50% chance	51-80% chance	81% or higher

### Quantification of the Risk – Risk Rating Matrix

			Likelihood				
			1	2	3	4	5
			Rare	Unlikely	Possible	Likely	Almost certain
Impact / Consequence	5	Severe	5	10	15	20	25
	4	High	4	8	12	16	20
	3	Moderate	3	6	9	12	15
	2	Minor	2	4	6	8	10
	1	Very Low	1	2	3	4	5

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<b>Report to</b>	<b>Audit Committee</b>
<b>From</b>	<b>Operations</b>
<b>Risk Reference</b>	<b>CR20</b>
<b>Risk Description</b>	<b>Increasing Energy Prices</b>
<b>Recommendation</b>	<b>For analysis and discussion</b>

## Context

Due to a series of major and unexpected events across the world over the last year, there has been a swift and unprecedented shift in the availability and pricing of energy in the UK.

Bury Council have been working closely with suppliers and YPO (our Framework Energy Provider) to mitigate price rises, but the energy market continues to be unpredictable and difficult to navigate even for specialist teams, which is leading to price increases around the country

## Key Potential Impacts

The increase in energy costs has had a significant impact on the Council's budgets and the Authorities school's budgets and will continue to do so. The Operations Department has set up a working group to identify potential energy savings opportunities to mitigate rising costs. The Energy team have been working closely with Finance to provide regular impact forecasts to the Exec team since April 2022 and the latest forecast can be seen below.

## Current Forecast

The table below shows the actual gas and electricity costs for the council in 2021/22 and the forecasts provided for 2022/23, based on the information provided by YPO in June and more recently at the end of September. It should be noted that these costs do not include schools, as they pay for their own energy costs. However, the majority purchase through the Councils contract so will be subject to the same increases.

<b>Period</b>	<b>Costs</b>
Electricity Actual 2021/22	<b>£2,123,342</b>
Gas Actual 2021/22	<b>£454,994</b>
Electricity Projection 2022/23 (June information)	<b>£4,246,684</b> (£2,123,342 increase from 2021/22)
Gas Projection 2022/23 (June information)	<b>£1,847,275</b> (£1,392,281 increase from 2021/22)
Electricity Projection 2022/23 (Sept information)	<b>£4,246,684</b> (£2,123,342 increase from 2021/22)
Gas Projection 2022/23 (Sept information)	<b>£2,516,503</b> (£669,228 increase since June and £2,061,509 increase from 2021/22)

\*Costs are provided excluding VAT

Please be aware that the above costs are based on the same usage figures as last year. As we reduce usage, we will therefore reduce costs.

### **Current Controls**

The Government has launched the Energy Bill Relief Scheme to provide support to those on non-domestic contracts, including businesses, voluntary sector and public sector organisations, initially between 1 October 2022 and 31 March 2023. Non-domestic customers will receive a discount on gas and electricity unit prices, calculated by comparing the estimated wholesale portion of the unit price you would be paying to a baseline 'government supported price' which is lower than currently expected wholesale prices this winter. This means that for all non-domestic energy users in Great Britain, the government support price will be £211 per megawatt hour (MWh) for electricity and £75 per MWh for gas. This is compared to the currently anticipated wholesale costs in Britain of £600 per MWh for electricity and £180 per MWh for gas.

### **What Does This Mean for Bury Council Energy Prices**

#### **2022/23**

Both gas and electricity prices increased in April and have increased further from the 1 October 2022, but the majority of the increases projected since October should be mitigated by the Energy Bill relief scheme. Suppliers are still calculating the impact, so actual costs are not currently available. Actual spend for the first 2 quarters of 22/23 and more accurate projections for Q3 and Q4 spend should be available in the next few weeks. Early indications are that there will still be an overall increase for both gas and electricity from October, but this should be minimal. The costs for 2022/23 are therefore more likely to be close to the figures provided in the June information (see table on page 1). The electricity costs from the 1st of October 2022 to the 31st of March 2023 will be fixed, but due to the buying strategy of gas, the price will fluctuate on a monthly basis for the same period.

#### **2023/24**

Bury Council have been provided indicative costs for the financial year 2023/24 (From YPO) but these could change significantly due to the current volatility of the energy markets. The indicative prices can be seen below:

<b>Period</b>	<b>Costs</b>
Gas Actual 2022/23	<b>10.98 p/kWh *</b>
Gas Predicted 2023/24	<b>15.52 p/kWh</b>
Electricity Actual 2022/23	<b>30 p/kWh *</b>
Electricity Predicted 2023/24	<b>45 p/kWh</b>

**\*(does not include Energy Bill Relief Scheme impact)**

The Energy team will be able to provide more accurate energy price forecasts for the next financial year in January to understand likely cost implications for 2023/24.



## **Planning Ahead**

A working group has been set up to review, monitor and mitigate the rising energy costs. The group have carried out and created a set of actions to be implemented across the Council's estate, please see below:

### **Actions implemented to date**

- Working group established to manage the increase in energy prices.
- Newly developed Carbon Literacy training module for staff.
- New compliant electricity contract procured for the next 4 years commencing in April 2023, following [Cabinet approval in September 2022](#).
- Delivery of the following building decarbonisation measures using funding from the Public Sector Decarbonisation Scheme (PSDS):
  - Six solar PV arrays installed across the Council's estate
  - Two double glazing projects carried out (Town Hall & BALC)
  - One new variable refrigerant flow (VRF) heating system installed at the Fish & Meat market.

### **Planned Actions**

- Get support to adopt Carbon Literacy training module as mandatory.
- Business case to consider options to reduce street lighting costs submitted.
- Building/Estate Rationalisation Programme - reviews currently taking place.
- To start a communications campaign to educate staff and Bury residents on methods to reduce energy use.
- Centralising energy budgets across the Council to be managed by the Energy Team going forward.
- Further energy saving opportunities being investigated by Energy Saving Working Group.
- Impact of Government Energy Price Guarantee announcement on Council energy bills to be explored and confirmed.

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<b>Report to</b>	<b>Audit Committee</b>
<b>From</b>	<b>Business, Growth &amp; Infrastructure</b>
<b>Risk Reference</b>	<b>CR15</b>
<b>Risk Description</b>	<b>Regeneration &amp; Development</b>
<b>Recommendation</b>	<b>For analysis and discussion</b>

### **Key Potential Impacts**

1. Northern Gateway - failure to grasp opportunity presented by the largest regeneration project to impact this part of the country.
2. Challenges faced in driving inclusive growth within the region, impacted by a slow housing market and accessing up to date planning policies.
3. Rising construction inflation and interest rate shifts increasing cost of delivering town centre regeneration and housing programmes

### **1. Northern Gateway**

#### **Background**

The Northern Gateway is a site that is included with the Places for Everyone Development Plan. The site provides a significant opportunity to be of a transformative scale and of national and international significance.

It is proposed that the site has the capacity to deliver 1,200,000 square metres of employment floorspace, including the opportunity to incorporate a significant element of advanced manufacturing. Given the scale of the site, it will have the ability to attract inward investment into the area as well as stimulating an opportunity for existing businesses to expand and grow without having to leave the Borough.

The site will be supported by significant investment in transport, including public transport and highways. Likewise, the opportunity will be supported by partnership arrangements between businesses and educational institutions to ensure that training support is in place to enable local residents to access the thousands of jobs that the site is estimated to create (including high-skilled employment opportunities). These supporting workstreams are important to connecting our residents to the employment opportunities.

#### **Current Position**

The Places for Everyone (PfE) Development Plan Document was submitted to the Secretary of State for examination on 14 February 2022 and is now the subject of an independent examination, conducted by the Planning Inspectorate.

The formal hearing sessions are currently in progress and are expected to conclude in March 2023.

It is too early to anticipate the conclusions of the Planning Inspectorate – who's role is to either find the plan sound or unsound (with or without modifications).

It is already known that modifications to the submitted plan have been put forward, so providing the Planning Inspectorate find the plan sound with modifications there would need to be a further round of consultation before the plan could be adopted.

Assuming that the plan is sound on this basis, it is currently anticipated that the PfE will be adopted in Winter 2023

### **Levelling Up projects**

The impact of inflation on construction material and labour costs has been a growing concern for a significant period. Prices are being affected by numerous forces including a shortage of skilled labour, high demand following the relaxation of covid restrictions, supply chain issues and increased energy costs (influenced by the war in Europe). The impact of increased energy costs has caused a 31% increase in construction material price over the last 12 months alone.

Cost plans developed for the Council's two Levelling Up Fund (LUF) projects in Bury and Radcliffe were developed to include estimates for future cost inflation; however, they were baselined before the Ukraine war and therefore did not include the impact of the recent energy price increases.

Both construction projects operate robust value management processes which target value for money in relation to design packages/logistics across each phase of the project life cycle alongside the maximisation of social value. This activity has been especially important in keeping cost increases due to materials and labour to a minimum, whilst maintaining project scope and LUF outcome requirements. The project team has also developed numerous value engineering options which have adjusted the scope of construction activity/design outputs to reduce cost. This activity is delivered through the external professional team and overseen via the Council's Major Projects Service, with governance / oversight from the Council's Regeneration Board. The Council also uses external consultants/bodies to carry out project assurance activity on each project to ensure appropriate due diligence.

The Council has utilised an integrated system of procurement to take advantage of contractor expertise throughout the design process. This has ensured that 'build-ability' is maximised, and construction logistics and safety are considered throughout the project. In line with best practice, the Council has utilised Pre-Construction Services agreements alongside a suite of industry standard contracts to manage construction and consultant activity in line with competitive procurement/framework processes.

The Council's Major Projects team monitor project progress on a day-to-day basis and report project progress to the Regeneration Board on a monthly basis through defined management products. These cover design progress, cost reporting/forecasting alongside stakeholder communication management.

Both the Bury Flexihall and Radcliffe Hub projects are currently approaching the completion of the penultimate stage of design (Stage 3 of the RIBA Plan of Works [Spatial Co-ordination]). Value engineering activity is still progressing at pace. Project cost reports will be presented to the Regeneration Board along with design, sustainability, and other outputs in December 2022. The risk that projects will exceed the current funding envelope cannot be ruled out at this stage and there is a high probability that either additional capital or scope reduction will be required.

#### Maximising funding opportunities to increase resources and capacity

A full review and monitoring of internal and external funding streams is in progress.

Additional UKSPF (UK Shared Prosperity Fund) funding has been secured to support delivery of Place projects and add value to LUF projects. Invitations to apply for additional UKSPF funding to support business support and skills are expected to be announced shortly.

#### Successful implementation of the team/service re-structure with realignment of services and savings of £250k

The Council has appointed two officers at Assistant Director Level to oversee Economic Development/Inclusive Growth activity and Major Project Delivery and Commercial Property Management.

Work has already been delivered to strengthen and enhance the Council's Accelerated Land Disposal Programme (ALDP), through the implementation of new governance and project management structures. The Land & Property Service expect to bring in approximately £23m in capital receipts through strategic disposals over the next 6 years, with the majority in the next three financial years. This activity is now linked closely with the Brownfield Housing Fund programme operated by the Housing and Major Projects Services. Disposals approved by the Council this year alone will lead to the creation of over 850 homes and 13,000ft<sup>2</sup> of commercial floorspace.

A detailed plan for transformation of the Council's Land and Property Service has now been completed and is now being implemented. In addition to the ALDP, the Council is now progressing options to enhance commercial income from its property assets alongside ICT improvements to enhance productivity.





<b>Classification:</b> Open	<b>Decision Type:</b> Non-Key
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<b>Report to:</b>	Audit Committee	<b>Date:</b> 01 December 2022
<b>Subject:</b>	Contract Procedure Rules	
<b>Report of</b>	Cabinet Member for Finance and Communities	

### Summary

This report sets out proposals for new Contract Procedure Rules (CPR) that will form part of the Council Constitution. As part of the process of developing and agreeing new CPRs, the audit committee was consulted on the draft proposals in January 2021. This report sets out the final draft proposal. Feedback from the Standards Committee and Audit committee will be reflected in final proposals that will be presented to Full Council on 7<sup>th</sup> December 2022 for implementation from 1 February 2023.

Cipfa C.Co drafted the proposed rules over two years ago, therefore these have been further developed and amended by STAR Procurement to reflect more recent changes and best practice.

### Recommendation(s)

- Note the content of the report and provide feedback on the final draft Contract Procedure Rules
- Note that the final draft Contract Procedure Rules will be presented to Full Council in December 2022 for final approval prior to implementation from 1 February 2023
- Note the draft implementation plan and provide feedback for rolling out the processes aligned to the Contract Procedure Rules
- Note and provide feedback on the draft Procurement Guide

### Reasons for recommendation(s)

Provides up to date and appropriate Contract Procedure Rules with associated Procurement Guide. The implementation plans will ensure effective implementation of the approach.

### Alternative options considered and rejected

The current Contract Procedure Rules are dated 2016 and require significant updating as they contain out-dated information including Regulations, Thresholds, and a combination of both rules and requirements as well as guidance and advice. They are over-bureaucratic with complex governance arrangements.

The proposed approach will streamline processes whilst ensuring that specialist advice and support is provided by specialist staff for the highest value and highest risk tenders. The development of the Procurement Guide will ensure that managers are fully supported and that consistent procedures are in place across the Council.

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## **1. Background**

- 1.1. Contract Procedure Rules (CPR) form part of the Council's Constitution and govern the way contracts for supplies, services and works are procured and awarded. As part of the agreed governance review it was agreed that a review of the Council's procurement processes and rules would be carried out.
- 1.2. To inform this work, all managers engaged in procurement activity have been consulted by Cipfa C.Co. This was carried out in two phases: an initial consultation questionnaire followed by stakeholder group meetings to feedback a number of key findings and to test some of the initial thinking. The outcome of these key pieces of work has been used to inform the draft CPRs.
- 1.3. As this work was undertaken over two years ago, a further update and review has been undertaken by STAR Procurement to ensure the Contract Procedure Rules are future-proofed for the upcoming Regulation changes, to provide flexibility in the way procurement is delivered operationally and to reflect best practice. The Procurement Guide and Implementation Plan have also been developed. Consultation has taken place with colleagues from Strategic Procurement, Finance, Legal and Audit.

## **2. Key Changes**

- 2.1. The final draft Contract Procedure Rules are attached at Appendix 1 and the main changes are summarised as follows:
  - Focus on rules and requirements, with advice and guidance moved to Procurement Guide (See Appendix 2)
  - The level at which 3 quotes are needed is proposed to increase from £1k to £10k and will reduce unnecessary bureaucracy and achieve better value for money overall for the Council. This brings Bury in-line with other Greater Manchester Authorities
  - Specific requirements regarding the Contracts Register to reflect the findings of Contracts Register audit report.
  - It is proposed that the procurement service will continue their advisory approach for low value tenders and that the work be undertaken by services. Low level tenders are anything with a value of up to £50k.
  - Process for tenders up to £50k will be supported by a Procurement Guide that will advise and support services through up to date guidance, standard templates and access to The Chest when needed.
  - All tenders above £50k will be coordinated by the procurement service. This ensures professional expertise is targeted at higher risk/value contracts and used to inform the approach to market, including the appropriateness of



openly advertising requirements or inviting selected bidders to tender for contracts up to regulation Threshold.

- Specific rules relating to residential care and educational placements to reflect the legal requirement to consider individual choice. The requirement for legal to seal placement contracts is also removed.
- Future proofed the wording and terminology to reflect the proposed new Regulations and changes in Thresholds

### 3. Implementation Plan

- 3.1. This report sets out the final draft proposal. Feedback from the committee will be reflected in final proposals that will be presented to Full Council on 7<sup>th</sup> December 2022 for implementation from 1 February 2023.
- 3.2. A detailed implementation plan has been developed to support 1<sup>st</sup> February 2023 implementation date. The implementation plan includes approvals, development of new templates, training (including in-person and on-line), communications and development/update of linked documents.
- 3.3. In summary the implementation plan includes:

Theme	Task	Milestone
Approvals	Full Council meeting	Dec 2022
Templates	Procurement Guide	Dec 2022
	Starting a procurement form	
	Award Report	
	Declaration of Interest	
	Exemption/modification form	
	RFQ	
	ITT	
	The Chest work flows	
Training	In-person training	Jan 2023
	Training via TEAMS	
	Recording of training	
	Manager Programme	
Communications	Council website	Jan 2023
	Intranet pages	
	Comms Plan	
Linked documents	Scheme of delegation	TBC
	Financial Procedure Rules	
	Procurement of External Expertise	

### 4. Procurement Guide

- 4.1. The Procurement Guide provides advice and guidance for sub-Threshold procurements. This will ensure that managers are fully supported and that consistent procedures are in place across the Council. This will help to address previous issues highlighted by Internal Audit.
- 4.2. The Procurement Guide can be regularly updated by Strategic Procurement to reflect new Regulations, updated guidance provided by Government, and any

new best practice and/or lessons learnt. A copy of the draft Procurement Guide is included in Appendix 2.

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### **Links with the Corporate Priorities:**

5. The Let's Do It Strategy sets out the corporate priorities and the Contract Procedure Rules help to deliver the following outcomes:
- Delivering inclusive economic growth by continuing our commitment to Bury-based businesses and reducing the complexity and bureaucracy of our procurement approach
  - Delivering carbon neutrality by 2038, improved quality of life, improved educational attainment and increased adult skill levels and employability by including guidance on Social Value

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### **Equality Impact and Considerations:**

6. The proposed Contract Procedure Rules do not bring about any changes that would impact on one protected characteristic over and above another, it doesn't result in increased/decrease access to services or provision for any particular group of the population or cause any disadvantage to a community of interest. The approach is to ensure value for all contracts and thus strive to mitigate Council costs, which would benefit all residents

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### **Environmental Impact and Considerations:**

7. Environmental impact and considerations in procurement are addressed through Social Value. The Procurement Guide provides information on how this can be achieved and potential measures that can be included in contracts.

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### **Assessment and Mitigation of Risk:**

<b>Risk / opportunity</b>	<b>Mitigation</b>
Revising CPRs in this way represents a risk based approach to resource allocation. Limited professional procurement expertise will be focussed on the highest risk/highest value contracts.	Procurement Guide and training will be put in place to ensure service based officers understand and can apply the rules appropriately. Governance controls will be strengthened through the introduction of new processes and templates to record and approve actions

Implementation of revised rules across the Council in a short period of time	A detailed implementation plan has been developed, including mandatory training
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### Legal Implications:

The Council is required to have Contract Procedure Rules under section 135 of the Local Government Act 1972 and to review them periodically. The revised Rules have the support of Audit, Finance and Legal Services. The increase in the procurement thresholds involves greater devolved procurement to Council departments and consequently a degree of non-compliance risk attaches. However this is properly mitigated through the implementation plan which includes mandatory training, supplemented with a comprehensive procurement guide and model templates and processes. The revised Rules are recommended for adoption on that basis.

8.

### Financial Implications:

The implementation of strong and consistent Contract Procedures Rules and the roll out of an education and training programme for all who use them will help to ensure the Council achieves best value for money in all of its procurements.

### Background papers:

*Appendix 1: Final Draft Contract Procedure Rules*

*Appendix 2: Final Draft Procurement Guide*

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

Term	Meaning
CPR	Contract Procedure Rules
Contracts Register	A database of all Council Contracts maintained by the Strategic Procurement Team
Procurement Guide	A document providing advice, guidance and policies regarding operational procurement at Bury Council. It supports the CPR's but does not form part of the constitution
Social Value	The concept of seeking to maximize the additional benefit that can be created by procuring or commissioning goods and services, above and beyond the benefit of merely the goods and services themselves

Threshold	The Threshold pertaining to the values of Supplies, Services or Works derived from Regulations
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# **Bury Council**

## **Contract Procedure Rules**

### **2022**

**Issued TBC**

**Review Date TBC**

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**Definitions**

<b>Term</b>	<b>Definition</b>
Best Value	The Council's duty under Part 1 of the Local Government Act 1999 to secure continuous improvement in the way in which functions are carried out, having regard to economy, efficiency and effectiveness
Bidder	means any Economic Operator that submits a Quote.
Call-Off Contract	means an order placed or a contract awarded in accordance with an established Framework Agreement or DPS
Concession Contracts	Where the consideration consists either solely in the right to exploit the work or service, or in this right to exploit together with payment.
Conflict of Interests	An actual conflict, or a potential conflict, between the pecuniary or personal interests of an officer and the duties that the officer owes to the Council
Contract	An agreement between two or more parties relating to supplies, services, utilities or the execution of works for payment or otherwise by an agreement intended to bind those parties.
Contracts Register	A database of all Council Contracts maintained by the Strategic Procurement Team
Dynamic Purchasing System	An agreement or other arrangement which establishes the terms under which the Provider will enter into one or more Contracts with the council or other Public body during the period in which the Dynamic Purchasing System applies
e-tendering system	The council's electronic procurement portal for the advertisement, receipt of tenders and conducting the Council's procurement process
Find a Tender Service	Means the e-procurement portal by which above Regulation Threshold tenders are advertised.
Framework Agreement	An agreement or other arrangement which establishes the terms under which the

	Provider will enter into one or more Contracts with the council or other Public body during the period in which the Framework Agreement applies
MAT (Most Advantageous Tender)	The evaluation or scoring of tenders using objective criteria covering price and quality, where the resulting Contract is awarded to the tender that achieves the highest score in that assessment
Notice	An advert giving details of the Contract being procured. The issue of the Public Procurement Notice starts the above Regulation Threshold tender process
Threshold	The Threshold pertaining to the values of Supplies, Services or Works derived from Regulations
Procuring Officer	The service team Officer who is responsible for the procurement process. This also includes third parties who are procuring on behalf of the Council.
Strategic Procurement	The member of the Strategic Procurement Team who has been assigned to the procurement exercise
Procurement Guide	Contains further detailed practical guidance and information on procurement requirements and process steps which Procuring Officers must refer to when undertaking procurement activities
Provider	An organisation that supplies goods to, provides services to or undertakes works for the Council.
Regulations	Regulations that govern public procurement procedures for Contracts with a value over specific Thresholds
Revenue earning Contract or Concession Contract	A Contract where either part of the consideration is a share for the Council of any income generated by the Provider or where the Council is acting as a Provider to another party.
Social Value	The concept of seeking to maximize the additional benefit that can be created by procuring or commissioning goods and services, above and beyond the benefit of merely the goods and services themselves



Specification	means the outputs, outcomes and the scope and nature of Goods, Services, execution of Works or Concessions Contract required by the Council from a procurement activity.
SQ – Supplier Questionnaire	The national standard questionnaire produced by Cabinet Office for use in shortlisting suppliers when using a two-stage procedure, or for confirming supplier credentials in a single stage procedure

## 1 Introduction

- 1.1 These Contract Procedure Rules (CPRs) are made under the provisions of Section 135 of the Local Government Act 1972 and govern the making of Contracts for and on behalf of the Council.
- 1.2 The CPRs form part of the Council's Constitution and will be reviewed annually.
- 1.3 Compliance with the CPRs and observance of all relevant legislation from which they emanate in particular, but not limited to: the Public Procurement (Amendments, Repeals and Revocations) Regulations 2016; the Public Contracts Regulations 2015; Concession Contracts Regulations 2016; Equality Act 2010; Public Services (Social Value) Act 2012; the Local Government (Transparency Requirements) (England) Regulations 2015 (As amended from time to time); and the associated principles relating to fairness, non-discrimination, equal treatment and transparency, is mandatory for all Officers and Members.
- 1.4 These rules also apply to any third party, such as a consultant, who may be undertaking procurement on behalf of the Council. The responsibility for ensuring the rules are followed rests with the relevant Procuring Officer. Advice should be sought from the Strategic Procurement Team if in any doubt.
- 1.5 Procurements above the Regulation Threshold must comply with all relevant public procurement legislation. Where there is any conflict between legislation and these CPRs, the legislation will always prevail.
- 1.6 Value for money is fundamental to the procurement activity carried out by the Council. The Council has a best value duty under Section 3 of the Local Government Act 1999 having regard to a combination of economy, efficiency and effectiveness. This should be achieved through competition, unless there are compelling reasons to the contrary.
- 1.7 In all situations where the Council is the lead authority or the contracting body, procurement will be subject to these CPRs. Exemptions to the rules will be permitted only in the specific circumstances referred to in these CPRs.
- 1.8 These CPRs should be read in conjunction with the Councils Financial Procedure Rules and any advice, guidance and policies issued by Strategic Procurement ([link to Procurement Guide](#)).
- 1.9 Breaches of these CPRs will be investigated and may result in disciplinary action.

1.10 The CPRs do not apply to:

- Contracts of employment for the appointment of individual members of staff.
- Grant funding agreements – for grant agreements the appropriate guidance must be followed
- Contracts where the Council is the supplier of Works, Goods and/or Services to third party organisations. However, the Monitoring Officer and the S151 Officer must be consulted in situations where the council is contemplating acting as a supplier.
- Contracts procured in collaboration with other local authorities where the council is not the lead authority (subject to the necessary approvals having been obtained from the appropriate decision maker at the council). The CPRs of the lead authority shall apply. Assurance should be sought that the lead authority is in compliance with its own Contract Procedure Rules and Regulations.
- Contracts procured through frameworks let by other Contracting Authorities in compliance with Public Procurement legislation.
- Public to public Contracts e.g. between Bury Council and another local authority, which meet the provisions of Regulation 12 of the Public Contracts Regulations 2015. The Monitoring Officer and the Head of Strategic Procurement must be consulted where the Council is contemplating this route.
- Works, Supplies and Services procured from in-house companies which meet the criteria for the Teckal exemption e.g. Six Town Housing, Persona
- Contracts relating solely to the disposal or acquisition of securities;
- Contracts for the acquisition of an interest in land and property;
- Contracts for the appointment of Counsel or the appointment of experts for the purpose of legal, or potential legal proceedings by the SRO for Legal Services; and
- Any Contracts specifically excluded by relevant legislation

**2. General Rules**

- 2.1 Prior to commencing a procurement process, approval for the expenditure must be obtained from the relevant budget holder/officer in accordance with Financial Procedure Rules: Scheme of Delegation – Financial Limits
- 2.2 Procuring Officers should not agree to verbal offers from Suppliers as this can create a binding Contract.
- 2.3 Adequate records of the procurement process must be retained. This includes records of any discussions held with stakeholders and/or potential Bidders prior to the issue of an advert or Contract Notice as part of soft market testing activity, any evaluation documentation including presentations or interviews held with Bidders and Contract award and unsuccessful notifications. Electronic copies of Contracts shall be kept of

each procurement process for a minimum period in accordance with the Council's Records Management Policy and public procurement legislation.

### **3. Conflicts of Interest and Anti-Bribery and Corruption**

- 3.1 The Council's reputation with regards to procurement activity is important and should be safeguarded from any imputation of dishonesty or corruption. Advice should be sought from Strategic Procurement prior to any discussions to ensure that any conflicts of interest are recorded, and mitigation measures put in place.
- 3.2 No gifts or hospitality should be accepted from any Bidders or Tenderers involved in procurement activity except in accordance with the Council's Codes of Conduct.
- 3.3 Every Officer (including temporary, agency and interim staff) or Councillor involved in any decision in respect of the award of a Contract in which they, or any immediate member of their family, or close associate has a Pecuniary Interest shall immediately notify the lead Procurement Officer who shall make a record in the contract file and forward to the Monitoring Officer for inclusion in the register kept for the purpose under s.117 Local Government Act 1972 (Disclosure by officers of interest in contracts)
- 3.4 In the event of any doubt or uncertainty as to whether a Pecuniary Interest will occur, advice should be sought from the Head of Strategic Procurement who will consult with the Head of Audit and Monitoring Officer.

### **4 The Procurement Process**

- 4.1 The table that follows sets out how a procurement process must be undertaken based on the total value of the Contract over its full period, including extensions, where applicable.

<b>Anticipated Contract value (exc VAT)</b>	<b>Procurement Route</b>	<b>Advertising</b>	<b>Evaluation</b>	<b>Approval</b>	<b>Authority to Sign Contract</b>
Below £10,000	Obtain at least one written Quotation  Where the value is less than £1,000 this can be evidenced by price list or website information  Process conducted and managed by Service team	Not required.  Bury suppliers to be invited where available.	Lowest price.	In accordance with the Financial Procedure Rules: Scheme of Delegation – Financial Limits	Use Purchasing Card or raise a Purchase order  No requirement for a signed Contract

	including written Specification or Statement of Requirements  Advice available from Strategic Procurement				
£10,001 to £50,000	<p><b>Request for Quotation (RFQ)</b></p> <p>Obtain at least three written quotations</p> <p>Process conducted and managed by Service team including written Specification or Statement of Requirements</p> <p>Advice must be sought from Strategic Procurement unless otherwise agreed by Head of Strategic Procurement</p>	<p>Not required</p> <p>(If three Providers cannot be identified, openly advertise. If openly advertised then contact Strategic Procurement to advertise on <b>e-tendering system</b> and on <b>Contracts Finder</b> website (if above £25k)</p> <p>Bury suppliers to be invited where available.</p>	<p>Lowest price or most advantageous based on criteria published with the request for quotation.</p>	<p>Complete <b>Award Report</b> and attach copies of the quotations.</p> <p>then</p> <p>If this is a new Supplier request a <b>New Supplier Set up form</b> is completed and submitted to <b>Accounts Payable</b>.</p> <p>Retain Award Report with quotes.</p> <p>Approval in accordance with Scheme of Delegation as detailed in Financial Procedure Rules: Scheme of Delegation – Financial Limits</p>	<p>Purchase Order and</p> <p>If the <b>Council's Standard Contract</b> terms used (or if procured via a valid framework, the relevant Call-off Contract is used, or an industry standard Contract is used for a works Contract) then an Officer in accordance with the Financial Procedure Rules: Scheme of Delegation – Financial Limits</p> <p>or</p> <p>If a bespoke Contract then Legal Services Authorised Signatory</p> <p>If openly advertised and above £25k issue Contract Award Notice on Contracts Finder</p>
£50k to Regulation Threshold	<p><b>Invitation to Tender (ITT)</b></p> <p>Obtain a minimum of 3 tenders</p>	<p>If openly advertised use <b>e-tendering system</b> and</p>	<p>Most Advantageous Tender</p>	<p>An <b>Award Report</b> must be completed.</p> <p>If this is a new Supplier request a <b>New Supplier</b></p>	<p>Purchase Order and</p> <p>If the Contract value is less than £100,000 and the</p>

	<p>Advice must be sought from Strategic Procurement before commencing and a <b>“Starting a Procurement”</b> form completed.</p> <p>Tender process using <b>e-tendering system</b>.</p> <p>A single stage ITT must be used for all Contracts up to the Works, Goods and Services Threshold.</p> <p>Managed by Strategic Procurement, unless otherwise agreed by Head of Strategic Procurement</p>	<p><b>Contracts Finder</b></p> <p>If not openly advertised, Bury suppliers to be invited where available.</p>		<p><b>Set up</b> form is completed and submitted to Accounts Payable. Confirm Award Report in place. Retain Award Report with quotes</p> <p>Approval in accordance with Financial Procedure Rules: Scheme of Delegation – Financial Limits</p>	<p>Council's relevant Standard Conditions of Contract is used (or framework terms if applicable) then an Officer in accordance with Financial Procedure Rules: Scheme of Delegation – Financial Limits</p> <p>or if the Contract value is more than £100,000 or</p> <p>if a bespoke Contract is used then Legal Services Authorised Signatory</p> <p>Legal proforma – instruction to award to be completed</p> <p>If openly advertised issue Contract Award Notice on <b>Contracts Finder</b></p>
Over Regulation Threshold	<p>Advice must be sought from Strategic Procurement before commencing and a <b>“Starting a Procurement”</b> form completed.</p> <p>Tender process using the Council's e-tendering system</p> <p>An Open procedure</p>	<p>Council's e-tendering system</p> <p>Contracts Finder Website</p> <p>and</p> <p>Find a Tender Service</p>	Most advantageous Tender	<p>Contracts below £500k in value that are non-key decisions can be approved by the relevant Executive Director.</p> <p>Contracts above £500k and are key decisions and delegated authority should be sought from Cabinet to award the Contract when the evaluation is completed.</p>	<p><b>Legal proforma</b> – instruction to award to be completed</p> <p>Purchase Order</p> <p>Issue Contract Award Notice on Contracts Finder and Find a Tender Service</p>

	single stage ITT to be used or by exception an alternative procedure as stated in the Public Contracts Regulations with a justification approved by the Head of Strategic Procurement  Managed by Strategic Procurement.			Award Report to be completed.	
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## 4.2 Starting a Procurement

- 4.2.1 Where the Council has an existing Contract in place that is suitable to source the services, supplies or works required this should be used. Approval for not using an existing Contract must be sought in advance from the relevant Strategic Procurement Officer and the technical or economic reasoning for not using the existing Contract should be recorded in the 'Starting a Procurement' form.
- 4.2.2 Where the Procuring Officer wishes to use a Framework Agreement, it is the duty of that individual to ensure that the agreement has been procured in a legally compliant manner and that the Council is legally able to access the agreement. The Procuring Officer should also ensure requirements in any access agreement, guidance notes or instructions are followed to ensure the procurement is compliant with Regulations. Failure to do this will make any Contract awarded from the framework (and potentially the whole framework) invalid. The Procuring Officer should seek guidance from Strategic Procurement where required.
- 4.2.3 If the value of a Contract is forecast to be less than £50,000 advice should be sought from Strategic Procurement prior to commencement but the procurement will be led by the Procuring Officer. Procuring Officers must adhere to the requirements outlined in the table above and award in accordance with authorisations set out in the Financial Procedure Rules: Scheme of Delegation – Financial Limits. The Procurement Guide provides advice and guidance on the processes and best practice.
- 4.2.4 If the value of a Contract is forecast to be £50,000 or greater, a 'Starting a Procurement' form must be completed and submitted to Strategic Procurement prior to the commencement of a procurement process.
- 4.2.5 If there is agreement between the Head of Strategic Procurement and a service team that a Procuring Officer within the service team will lead a procurement

above £50,000, the Procuring Officer shall complete a 'Starting a Procurement form' and record this agreement within the form.

4.2.6 In the event where a Contract has no specific end date, such as ongoing support or maintenance Contracts, then for the purposes of these rules the Contract Value should be considered over four years.

4.2.7 If the value of any Contract (including for works or social services) is forecast to be greater than £500k then delegated authority to commence the procurement process must be sought from the Cabinet.

4.2.8 A Conflict of Interest declaration form must be completed by all parties involved in a procurement process at the appropriate stage. This applies to Officers (including temporary, agency and interim staff) and Elected Members.

4.2.9 In the event of a Conflict of Interest the Head of Strategic Procurement, following consultation with the Monitoring Officer and Audit, shall determine the appropriate course of action to be taken based on the facts of the particular situation.

#### 4.3 Publishing Contract Notices (Advertising Contracts)

4.3.1 All procurement documentation must be completed prior to publishing the Contract Notice. This, as a minimum must include the Specification, Contract terms, pricing model and other evaluation criteria and background documentation.

#### 4.4 Selection Questionnaires (SQ)

4.4.1 The standard Selection Questionnaire (SQ) is the document used by the Council to screen potential tenderers in accordance with Regulations. For Works Contracts, the PAS91 questionnaire can be used in place of the standard SQ.

4.4.2 A pre-qualification stage must not be used in any procurement below the Regulation Thresholds for supplies and services. A completed SQ must however, be obtained from the winning Bidder prior to award of any Contract over £50k.

#### 4.5 Contents of a Request for a Quotation (RFQ) or an Invitation to Tender (ITT)

4.5.1 A **Request for a Quotation (RFQ)** is used for procurements with a value less than £50,000. Evaluation and award of Contract will normally be based on the lowest price, or the most advantageous tender based on criteria published with the RFQ.

4.5.2 An **Invitation to Tender (ITT)** is used for procurements with a value greater than £50,000 or by exception for complex and high-risk procurements of any value. Evaluation and award will be determined by the most advantageous tender based on criteria published with the ITT.

4.5.3 The standard template for a RFQ or an ITT must be used and include all the information set out in the template. Templates are maintained and updated by Strategic Procurement.

- 4.5.4 The **Specification** must describe the Council's requirements in sufficient detail to enable the submission of competitive offers and follow the Procurement Guide. A risk analysis of the scope and Specification of the Contract should be undertaken and included as additional Contract conditions if required.
- 4.5.5 **Evaluation criteria** must comply with the information in the table at 4.1 above in relation to relevant Contracts values. All evaluation criteria and sub criteria, any financial models and a clear scoring matrix must be included in the RFQ, or ITT documentation and full details disclosed to potential Bidders. The evaluation process must follow the published criteria without deviation.
- 4.5.6 The methodology for **evaluating price** should be clearly set out in the RFQ or ITT.
- Where appropriate, the whole life cycle cost, including cost of operation, maintenance and end of life, should be considered.
  - Where appropriate the implementation costs, including training, process redesign and system integration, should be considered.
- 4.5.7 **Conditions of Contract**
- In most circumstances the Council's standard forms of Contract should be used for supplies and services. The relevant Contract conditions must be issued with the RFQ/ITT.
  - Where procurement is via an existing Framework Agreement, the conditions of contract will be those governing the framework and Call-off Contracts.
  - For works contracts (other than those for minor works where the Council's standard services Contract may be appropriate) standard industry forms must be used, for example, JCT, NEC.
  - Where there is a need to deviate from the Council's standard forms of Contract or amendments are required to works standard industry forms (due to the risk imposed by the nature of the procurement or where the standard Contract is deemed to be unsuitable), Contract terms must be drafted by Legal Services prior to the RFQ or ITT being advertised.
  - Contracts on supplier's conditions will only be entered into by exception and must be approved in advance by Legal Services for Contracts over £10k.

## 4.6 Advertising Durations

- 4.6.1 A RFQ should be advertised for a period of time appropriate to the complexity of the procurement and to ensure there are sufficient quotes received to demonstrate that a proper competition has taken place. As a minimum this should be 7 days, unless otherwise agreed by Strategic Procurement.
- 4.6.2 An ITT should be advertised for a period of time appropriate to the complexity of the procurement, as a minimum this should be 14 days, unless otherwise agreed by Strategic Procurement
- 4.6.3 If a Framework is being used, the timescales set out in the Framework should be followed.
- 4.6.4 Where the Contract value is above the Regulation Thresholds then the appropriate minimum time periods in accordance with Regulations must be followed.



- 4.6.5 If a reduced timescale is required due to genuine urgent need, then this must be recorded and approved by Strategic Procurement prior to the procurement commencing.

#### **4.7 Contract value and duration**

- 4.7.1 Prior to a procurement being undertaken an estimate of the total Contract value over its full duration, including any extension options must be established. A record of how this forecast was calculated should be retained in the 'Starting a Procurement' form.
- 4.7.2 The value of the Contract must not be split to avoid the application of the CPRs and Regulations.
- 4.7.3 The appropriate length of individual Contracts should be considered pre-procurement taking account of Regulations, commercial factors such as market conditions and required investment, and internal considerations such as implementation costs and cost of change.

#### **4.8 Transfer of Undertakings Protection of Employment (TUPE) and Pensions**

- 4.8.1 Where a service is already being provided and is being retendered or tendered for the first time, the TUPE regulations need to be considered and if applicable, incorporated within the ITT. Where appropriate, information will need to be requested from current contractors.
- 4.8.2 Advice from Legal Services should be sought at the earliest point that the Procuring Officer becomes aware that a staff transfer may form part of the procurement. The relevant HR Business Partner must also be consulted if Council staff may be affected.
- 4.8.3 Where a transfer of staff will occur, Pensions liabilities and the arrangements for these need to be considered, and specialist advice sought from Strategic Procurement, Legal Services, HR and Finance.

#### **4.9 Appointment of Temporary, Agency, Interim Resources & Consultants**

- 4.9.1 Advice must be sought from the relevant HR Officer prior to commencing the appointment of any temporary, agency and interim staff and the guidance on procurement of external expertise must be followed.
- 4.9.2 The appointment of temporary, agency and interim staff must be in accordance with these CPRs, with the addition of an HR business case being approved. The appropriate guidance on procurement of external expertise must also be followed.
- 4.9.3 The appointment of temporary, agency and interim staff with an equivalent day rate of £500 or more must be approved by the Head of HR and the Cabinet Member for Corporate Affairs and HR prior to commencing the appointment.

- 4.9.4 The appointment of temporary, agency and interim staff with an equivalent day rate of £499 or less must be approved by the relevant HR Business Partner and Finance Advisor prior to commencing the appointment.
- 4.9.5 A copy of the completed Executive Team approval must be retained on the contract file.
- 4.9.6 In the event that temporary, agency or interim staff are proposed to transfer employment to become permanent employees, then it is likely that transfer, finders or similar fees will be charged by the agency. Approval must be obtained in advance from the relevant HR Business Partner prior to any transfer of employment and payment of relevant fees.
- 4.9.7 Contracts for consultancy services shall be procured in accordance with the Contract Procedure Rules and the guidance on procurement of external expertise.

#### **4.10 Communications with tenderers during the procurement process**

- 4.10.1 All communications with tenderers after the RFQ or ITT has been issued must be conducted via the secure messaging service which forms part of the e-tendering system, or via email for those RFQs below £50k that have been issued by email.
- 4.10.2 Questions from Bidders must be submitted electronically, for RFQs by e-mail or through the e-tendering system where this has been used. Responses to questions must be shared with all Bidders unless there is an overriding commercial or confidential reason not to. Advice should be sought from Strategic Procurement if there is any uncertainty.
- 4.10.3 During the procurement process, verbal communication should not be entered into except to provide instruction on using the e-tendering system or in exceptional circumstances following advice from Strategic Procurement.

#### **4.11 Quotation and Tender opening and late submissions**

- 4.11.1 All responses to SQs or ITTs must be submitted electronically through the Council's e-tendering system where they will remain locked until the closing time and date.
- 4.11.2 For RFQs which have not used the Council's e-tendering system, responses should be returned by email to the Procuring Officer. Evaluation of quotations should not take place until all quotations have been received or the closing date and time has passed, whichever is soonest.
- 4.11.3 Late submissions will only be accepted in exceptional circumstances e.g. if the other quotations/tenders have not been opened and/or there has been a failure of the e-tendering or email system, or if the failure to comply is the fault of the Council.
- 4.11.4 The final decision on whether a tender will be accepted is at the discretion of the Head of Strategic Procurement.

- 4.11.5 The date for receipt of tenders may only be extended in exceptional circumstances. This must be approved by Strategic Procurement and the reasons documented.

## **5 Evaluation**

- 5.1 Evaluation of SQ responses, quotations and tenders must be in accordance with the criteria and scoring published with the SQ, RFQ or ITT. In the event no criteria have been published in the RFQ or ITT then the evaluation will be based on lowest price.
- 5.2 No information about SQ responses, quotations and tenders should be shared with competing organisations during the tender period.
- 5.3 Clarifications of SQ responses, quotations and tenders may be requested from Bidders and must be made in writing using the e-tendering system or via email for RFQs issued by email.
- 5.4 Negotiations with tenderers are only permitted in limited instances with approval of Strategic Procurement.
- 5.5 Once a SQ, RFQ or ITT has been evaluated and the successful organisation selected, only minor refinements that do not substantially change the tenderer's proposal or the commercial position, can be made. Advice should be sought from Strategic Procurement in advance.
- 5.6 Evaluation should involve a minimum of two officers and should follow Procurement Guide.
- 5.7 Evaluators must come to a consensus on scores awarded, scores must not be averaged.
- 5.8 Justification and reasons for the scores awarded must be recorded and retained in accordance with Regulations. This information is to be used for providing feedback to Bidders.

## **6. Awarding a Contract**

- 6.1 Approval to award the Contract must be obtained prior to the award being carried out in accordance with the table in Section 3.
- 6.2 A 10-day standstill period between notification of the Contract award and the Contract Award must be included for relevant Contracts with a value above the Regulation Threshold.
- 6.3 Officers must not issue letters of intent, memorandums of understanding or similar communications without the prior approval of Legal Services.
- 6.4 Contracts should be signed in accordance with the table in Section 3 of these Rules. Contracts should only be signed after the correct approval to award has been granted.
- 6.5 Certain categories of Contracts must be executed as deeds and are to be sealed by the council by affixing the common seal or appropriate electronic alternative. This means that in the event of a dispute, the council can make a claim under the Contract for up to 12 years. The following Contracts must be sealed:
- Contracts above the value of £75K;

- New Framework Agreements;
- Where there is no consideration (i.e. money or money's worth) by one party (e.g. grant agreements, where the council is paying a voluntary sum to an organisation but the organisation is not giving anything in return); and,
- Other high risk Contracts (as advised by Legal Services) where a longer limitation period of 12 years is required.

- 6.6 Before a Contract can be awarded by Legal Services, a signed copy of the relevant Award Report must be provided by the designated decision maker. The signing or sealing of the Contract by Legal Services is simply affixing the common seal and does not indicate that legal advice has been sought or that Legal Services approve the Contract. A scanned copy of the signed Contract must be sent to Strategic Procurement to allow for inclusion in the Contracts Register
- 6.6 Contract Award Notices must be placed in Contracts Finder and Find a Tender Service in accordance with Regulations. The publication of Notices will be undertaken by Strategic Procurement.
- 6.7 All Bidders should be informed of the outcome of a procurement process as soon as possible and at the same time. Unsuccessful Bidders should be provided with feedback on their submission. In a two-stage process they should be informed when they are eliminated from the process and advised of the reasons why they did not meet the standard to be shortlisted.
- 6.8 For ITTs above Regulation Threshold, where the evaluation criteria is most advantageous tender, then unsuccessful Bidders should be advised of their score against each criteria and weighted marks, the relative strengths and weaknesses of their proposal and the total score and price of the winning Bidder, in accordance with Regulations.
- 6.9 Information on the successful Bidder's proposal including the method of undertaking the work or a breakdown of the price should not be provided to unsuccessful Bidders. If there is any doubt advice should be sought from Strategic Procurement.

## **7 Supplier Questionnaire (SQ)**

- 7.1 For Contracts above £50k, before awarding a Contract, the Procuring Officer needs to ascertain whether any of the mandatory or discretionary exclusions, as set out in the SQ apply. A Contract must not be awarded to a Provider if a mandatory exclusion applies. For Contracts below £50k, only the leading Bidder should be required to complete a SQ prior to Contract award. Any concerns relating to mandatory or discretionary exclusion criteria should be referred to Strategic Procurement.
- 7.3 In the event that a discretionary exclusion applies, then the Provider should be requested to submit an explanation which details actions taken to rectify the situation. The Head of Strategic Procurement will assess the Provider's explanation and determine whether the Provider should be excluded.

## **8 Exemptions**

- 8.1 The CPRs ensure that the Council complies with its legal requirements and is fair and transparent with respect to how public money is spent. Only in exceptional

circumstances will approval be granted to do something different. Where this is needed an Exemption will be submitted by the Head of Service, reviewed by the Head of Strategic Procurement in consultation with Legal Services and approved in line with the Scheme of Delegation.

- 8.2 If the value of the Contract is greater than the Threshold for Works, Services and Supplies then approval must be sought from the Monitoring Officer, in consultation with the Head of Procurement and the Section 151 officer, to confirm that one of the exceptions within Regulations applies.
- 8.3 All Exemptions from these rules must be recorded using the Exemption Form and approved before entering into a Contract with a supplier.
- 8.4 Circumstances where time is lost through inadequate forward planning or any unnecessary delays will not constitute a reason to issue an Exemption and Procuring Officers should make adequate preparation in advance of commencing the procurement exercise.
- 8.5 An Exemption will only be approved if it is for one of the following reasons;
  - 8.5.1 Where there is an existing corporate Contract, and a service decides they do not wish to use the corporate Contract, a business case to justify this must be demonstrated. This should be included in the Exemption Request.
  - 8.5.2 Where there is only one supplier within the market. Evidence that this is the case and what investigation has been done to try and find other suppliers must be demonstrated. This should be included in the Exemption Request.
  - 8.5.3 Where the procurement activity is grant funded or the Council is matching grant funding and the original grant has been given conditionally on the use of a named supplier, group of suppliers or particular framework. A copy of the grant agreement or other evidence should be attached to the Exemption.
  - 8.5.4 Where services need to be procured as a matter of extreme urgency - e.g. in response to an emergency situation - and there is insufficient time to advertise. Justification should be included in the Exemption.
  - 8.5.5 Where software is being procured that must be compatible with an existing ICT system, or where ongoing licencing and maintenance Contract is only available from one ICT supplier, and the cost of change is uneconomic. A business case justifying this should be included in the Exemption.
  - 8.5.6 Where it would be in the interests of the efficient management of the service and represent best value to the council. A business case justifying this should be attached to the exemption.
- 8.7 If an Exemption is not approved then a change to what is being proposed will be required to comply with the CPRs. If it is impossible to do this then a non-compliance will be recorded by Strategic Procurement and notified to the Audit team. An action plan to avoid a repeat occurrence will be required.
- 8.8 Where there are repeated non-compliances in a service team, the relevant Budget Holder will produce a plan to assess the situation and propose remedial action to be taken. This plan will be provided to Audit Committee.

- 8.9 A list of both approved Exemptions and any non-compliances will be reported to Audit Committee annually.

## **9 Contract Management, Variations and Extensions**

- 9.1 As part of the pre-procurement activity, the officer who will be responsible for managing the Contract must be identified, known as the Contract Manager.
- 9.2 Reporting and monitoring processes appropriate to the size and nature of the Contract must be put in place to ensure that all obligations are fulfilled by the contracted parties. This includes the delivery of agreed Social Value targets.
- 9.3 All Contracts must be included and published on the Contracts Register maintained by Strategic Procurement in line with the Local Government Transparency Code 2014. This is a mandatory requirement and it is the responsibility of each Service to ensure that they have informed Strategic Procurement of the Contracts they are responsible for and provided them with the information necessary to update the Contracts Register accordingly.
- 9.4 Contracts may only be varied to implement minor changes which may include either increasing or decreasing the service or for services of a similar nature. Advice must be sought from Strategic Procurement and Legal Services.
- 9.5 Contracts can only be extended if options for extensions were included in the original Contract.
- 9.6 Contract variations and extensions must follow the same authorisation process as though they were new procurements. The relevant Thresholds for supplies, services, works and for the light touch regime, as defined in Regulations, apply.
- 9.7 If the value of the original Contract plus the sum of any extension or variation exceeds the Thresholds within these CPRs with the result that a different procurement process should have been used then an Exemption will need to be requested.

## **10 Social Care Contracts**

- 10.1 It is recognised that either because of service user choice or the nature of the market for specialist placements, and the requirements of the Care Act 2014, that for some types of social care Contracts, competitive procurement processes cannot be undertaken. Only Contracts for the following have specific exclusions from these CPRs;

### **10.2 Residential Care**

- 10.2.1 Residential Care placements are exempt from the full requirements of the CPRs. Sections 1,2,3,7 and 9 apply.
- 10.2.2 The Council will Contract with Residential Care Providers using a standard Contract. The Contract will set out a breakdown of the price that is set each year via the Council fee setting process. Any deviations from this standard Contract must be approved in advance by the relevant Integrated

Commissioning Strategic Lead officer who will consult with Legal and Strategic Procurement and liaise with the appropriate Executive Director.

10.2.3 If a weekly fee for an in-borough placement is higher than the standard fee then approval must be gained from the appropriate funding panel and/or relevant Team Manager, where they have delegated responsibility from the appropriate Executive Director, who will consult with the Integrated Commissioning Strategic Lead prior to agreeing the placement with the Provider.

10.2.4 For out of area placements for older people the fee per week must be the standard rate for the relevant local authority area. For placements where the fee per week is above this, approval must be gained from the appropriate funding panel and/or relevant Team Manager (where they have delegated responsibility from the appropriate Executive Director) who will consult with the Integrated Commissioning Strategic Lead prior to agreeing the placement with the Provider.

10.2.5 Where there is an emergency need and approval cannot practically be requested in advance (including by any on-call arrangements), then this should be notified to the relevant Team Manager and Integrated Commissioning Strategic Lead/ Contract & Commissioning Manager (Children's) as soon as possible and in all cases within 72 hours of the placement commencing.

10.2.6 In the event of the above occurring then the relevant Integrated Commissioning Strategic Lead/Contracts & Commissioning Manager should be advised as soon as practical.

### 10.3 **Social Care Frameworks**

10.3.1 Where a framework, Dynamic Purchasing System or alternative Flexible Purchasing System relating to Social Care is in place, e.g. foster care placements, children's residential care, learning disability and mental health packages, then the following will apply.

10.3.2 Where placements are made outside of the Framework Agreements, approval must be gained from the relevant Team Manager (where they have delegated responsibility from the appropriate Executive Director), who will consult with the Integrated Commissioning Strategic Lead/Contracts & Commissioning Manager prior to agreeing the placement with the Provider.

10.3.3 Prior to making an outside of Framework placement a breakdown of the price must be obtained from the Provider and value for money demonstrated. Advice should be sought from the relevant Integrated Commissioning Strategic Lead/Contracts & Commissioning Manager where the costs are more than the typical expected costs.

### 10.4 **Educational Placements**

10.4.1 Where the Council is required to pay for Education Placements these are generally required to be paid in advance and are not subject to competitive tendering. Prior to making a placement a breakdown of the price must be obtained from the Provider and value for money demonstrated.

10.4.2 Advice should be sought from the relevant Contracts & Commissioning Manager where the costs are significantly more than the typical expected costs.

## **11 Finance Leases excluding Land and Property**

- 11.1 Where a Contract requires the Council to enter into a finance or lease agreement then advice should be sought from the relevant Finance Officer in advance.
- 11.2 In addition to the Contract Award approvals required as set out in the table in Section 3, finance and lease agreements must be approved by the Section 151 officer prior to signing.

## **12 Concessions and Revenue Earning Contracts**

- 12.1 Any procurement of a Concession Contract should be carried out in accordance with these Rules
- 12.2 Prior to the Council awarding a Concession or entering into a revenue earning Contract, whether in its own right or with a commercial partner, approval of the commercial arrangements and Contract terms and conditions must be obtained from the Section 151 officer and from Legal Services.
- 12.3 Where the Concession or revenue has a value greater than the Threshold or has a significant risk profile (as assessed by the Section 151 officer and Legal Services) then approval is required from Cabinet prior to entering into the agreement.
- 12.4 Where the Council is a Bidder and submitting a proposal or tender in response to a contract opportunity then approval must be obtained from the relevant Executive Director and the Section 151 officer. Where the Contract has a value greater than the Threshold for Services and Supplies or has a significant risk profile (as assessed by the Section 151 officer and Legal Services) then approval is required from Cabinet prior to submitting the proposal or tender.
- 12.5 Advice from Legal Services must be sought prior to commencing any work on compiling a proposal or tender to determine if the Council has the power to enter into the Contract.

## **13 Disposal of Assets excluding Land and Property**

- 13.1 The disposal of assets excluding land and property must comply with the following
  - A minimum of 3 competitive bids must be invited if the goods have an estimated value greater than £5,000 and up to £25,000.
  - A minimum of 4 sealed bids must be invited if the goods have an estimated value greater than £25,000. Alternatively, disposal can be by sale by auction. The Section 151 officer should be consulted in advance of the decision on disposal route.
  - The highest value unconditional bid received should be accepted unless in the view of the Section 151 officer a conditional bid offers better value to the Council

## **14 Disposal of Land and Property**

- 14.1 Where land or premises are to be disposed of by competitive tender the procedure for receipt and opening tenders shall be as determined by the Executive Director of Place.



- 14.2 Tenders must contain a declaration as to whether the person submitting the tender is a Member or Officer of the Council or whether so related.
- 14.3 A tender may be accepted by the Executive Director of Place after consulting with the appropriate Cabinet Member subject to the following conditions being met:
- highest tender to be accepted except where the evaluation criteria are based upon Most Advantageous Tender in which case the tender that achieves the highest score in the assessment must be accepted;
  - where the evaluation criteria is based upon the highest tender the price represents the best price that could be reasonably obtained;
  - the tender accords with the "particulars/conditions of sale";
  - where the evaluation criteria are not based upon Most Advantageous Tender the tender does not include any non-financial considerations.
- 14.4 If any of the conditions in Rule 14.3 are not met or if the tender to be accepted is from a Member or Officer or a relative of such person the sale shall be determined by the Cabinet.

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# Bury Council Procurement Guide

Advice & guidance to support Bury Council Contract Procedure  
Rules

V1.0 September 2022

# Overview

- What is Procurement?
- What are the procurement rules?
- The importance of procurement
- Procurement Checklist
- The Chest
- Calculating value of procurement and thresholds
- Routes to market & procurement journeys
- Procurement processes
- Exemptions, modification and extensions
- Social Value
- Roles & Responsibilities
- Real life example

# What is Procurement?

- Procurement is essentially purchasing, buying and commissioning
- All companies procure, not just public sector
- Public procurement should be fair, transparent and proportionate
- What Local Authorities buy is very wide ranging
- Processes are put in place to ensure equality and to protect you



**It is your responsibility to comply**

# What are the procurement rules?

- **Contract Procedure Rules** set out our rules and is part of the Council constitution
- **Procurement Guide** sets out our processes, guidance and advice
- **Procurement Strategy** provides the strategic overview and directions for procurement at Bury Council
- **Public Contract Regulations** set out the rules for above Threshold procurements
- Additional guidance/rules through **Procurement Policy Notes, Case Law**, other **Regulations** and best practice

# What is the Procurement Guide?

This Procurement Guide is for navigating your way through the procurement rules and processes. It will help you procure in a compliant and efficient way that demonstrates value for money and generates social value for your communities.

This Procurement Guide contains guidance, tools, and advice to assist you through each procurement route and process. It does not replace the Contract Procedure Rules or any other constitutional rule or policy.

# What is Excluded from CPR's?

- Contracts of employment for the appointment of individual members of staff.
- Grant funding agreements – for grant agreements the appropriate guidance must be followed
- Contracts where the Council is the supplier of Works, Goods and/or Services to third party organisations
- Contracts procured through frameworks let by other Contracting Authorities in compliance with Public Procurement legislation.
- Public to public contracts e.g. between Bury Council and another local authority
- The procurement of certain items that are not subject to the requirements Works, Supplies and Services procured from in-house companies which meet the criteria for the Teckal exemption e.g. Six Town Housing, Persona
- Contracts relating solely to the disposal or acquisition of securities;
- Contracts for the acquisition of an interest in land and property;
- Contracts for the appointment of Counsel or the appointment of experts for the purpose of legal, or potential legal proceedings by the SRO for Legal Services; and
- Any contracts specifically excluded by relevant legislation



# Why is Procurement important?

Ensures that we deliver best value and value for money (External Audit implications)

Improves the delivery and cost effectiveness of quality of public services to citizens

Can find new models for service delivery

Savings can be channelled back into priority services

Deliver additional added value benefits to residents

Prevent financial loss to the Council

Support our reputation

Encourages more business to bid for our work

Part of the Council's constitution and you have an obligation to comply

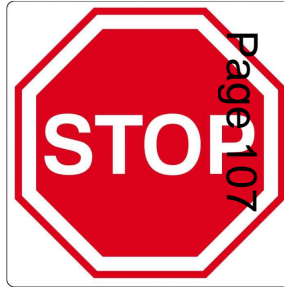


**Good procurement helps to protect you from allegations of fraud and corruption!**

# When procurement goes wrong...

- Legal Challenge
- Costs
- Time and resources
- Reputational
- Corruption
- Government Review
- Disciplinary
- Suppliers won't engage
- Professional indemnity insurance
- External audit

# Before you start procurement



Before you start any Procurement, remember, good procurement is not just about buying well but is often about buying less or, indeed, **not buying at all**.

Always consider the following before starting a Procurement:

- **Have you considered alternatives?** There might be alternative solutions to what you want. Make sure you have considered what might be able to be delivered internally first.
- **Do you need to buy?** Consider whether there is a real need for what you want. You should procure only if necessary and not just because a budget is available.
- **Do you have the budget?** Consider whether you have the budget to buy what you want.
- **Do you have the Authority?** Check your Scheme of Delegation
- **Is there an existing arrangement in place already?** Check if your requirements can be met under an existing arrangement before you think about running a new procurement exercise. Using an existing arrangement saves you time and money.

# 'Starting a Procurement' Form

**This is your starting point for all procurement**

Template in place

Only asks for information that is needed

## **Why do we need this?**

- Capture requirements
- Authority to procure
- Check key aspects of the procurement
- Auditable
- Details for the Contracts Register
- Transparency and FoI
- Ensure we all deliver what is agreed



**Completion of Starting a Procurement' form is mandatory for all procurement above £10k**

# E-Procurement System

The Chest is Bury's e-procurement system [www.the-chest.org.uk](http://www.the-chest.org.uk)

You must use The Chest for all Request for Quotes and Tenders over £10k, including:

- Issue Request for Quote & Tender documents
- Issue clarifications
- All correspondence with Bidders
- Issue Contract Notices
- Tender Opening

**TheChest**

Training, advice and setting up of access to The Chest is available from Strategic Procurement

# Calculating Value of Contract

**Annual Value of Contract X Length of Contract (Years) = Value of Contract**

Includes any contract extensions

Excludes VAT for below threshold

Includes VAT for above threshold

Includes all lots if you are establishing a framework

Concessions is same but total income to the Council



**Purposefully breaking down a contract into smaller contracts is fraudulent**

# Thresholds

Value	Route to market	Advertising	Evaluation	Contract	Lead
Below £1k	One written quote Via price list or website	Bury suppliers, if possible	Lowest price	Purchasing card Purchase Order	Service
Below £10k	One written quote	Bury suppliers, if possible	Lowest price	Purchasing card Purchase Order	Service
£10-50k	Three written quotes	Bury suppliers, if possible If open advert then through The Chest and Contracts Finder	Lowest price or most advantageous	Purchase Order and: <ul style="list-style-type: none"> <li>- Council standard contract</li> <li>- Framework contract</li> <li>- Bespoke contract drafted by Legal Services</li> </ul>	Service



# Thresholds

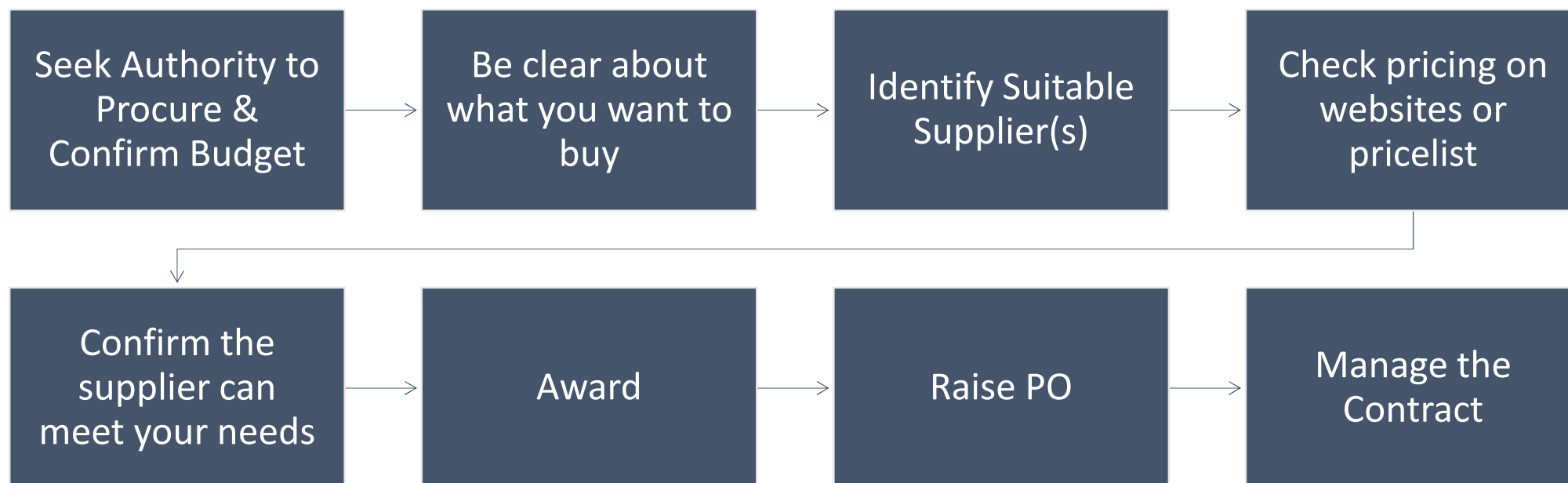
Value	Route to market	Advertising	Evaluation	Contract	Lead
£50k-Threshold	3 tenders	Bury suppliers, if possible If open advert then through The Chest and Contracts Finder	Most economically advantageous based on criteria published	Purchase Order and: <ul style="list-style-type: none"> <li>• Council standard contract</li> <li>• Framework contract</li> <li>• Bespoke contract drafted by Legal Services</li> </ul>	Strategic Procurement
Above Threshold	In line with Regulations	<ul style="list-style-type: none"> <li>• Council's e-tendering system</li> <li>• Contracts Finder Website</li> <li>• Find a Tender Service</li> </ul>	Most economically advantageous based on criteria published	Purchase Order and: <ul style="list-style-type: none"> <li>• Council standard contract</li> <li>• Framework contract</li> <li>• Bespoke contract drafted by Legal Services</li> </ul>	Strategic Procurement





# Low Value Procurement Journey (Below £1k)

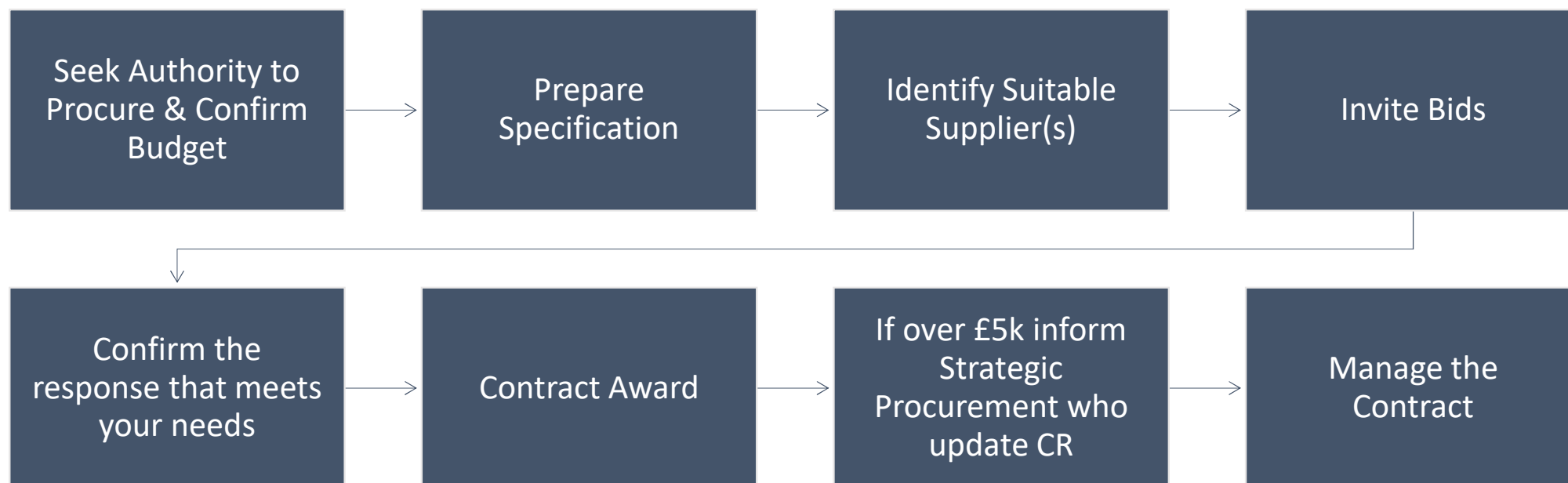
Typically take 1 day



**Keep evidence of the process you have followed**

# Low Value Procurement Journey (Below £1-10k)

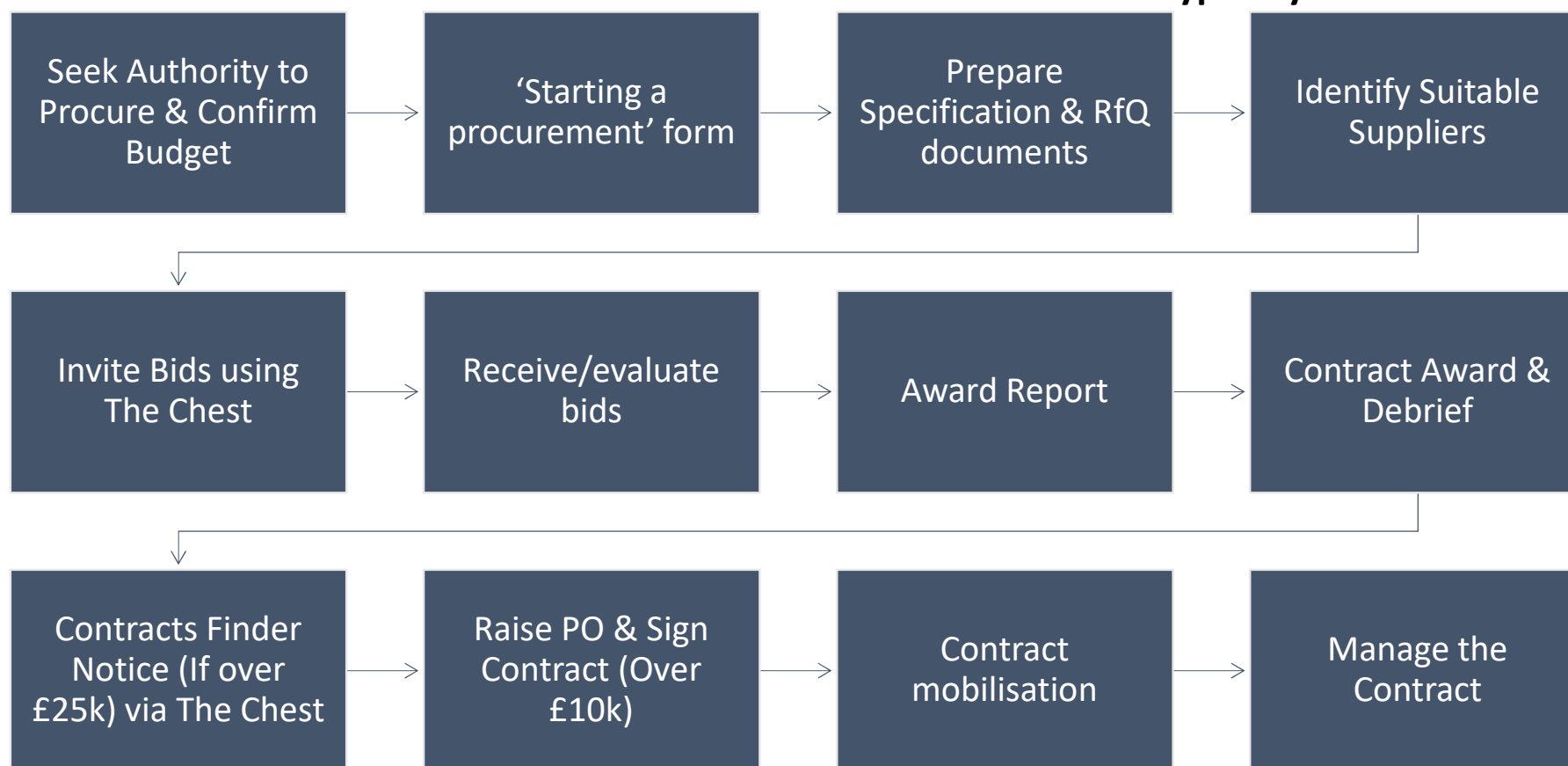
Typically take 2 -5 days



**Keep evidence of the process you have followed**

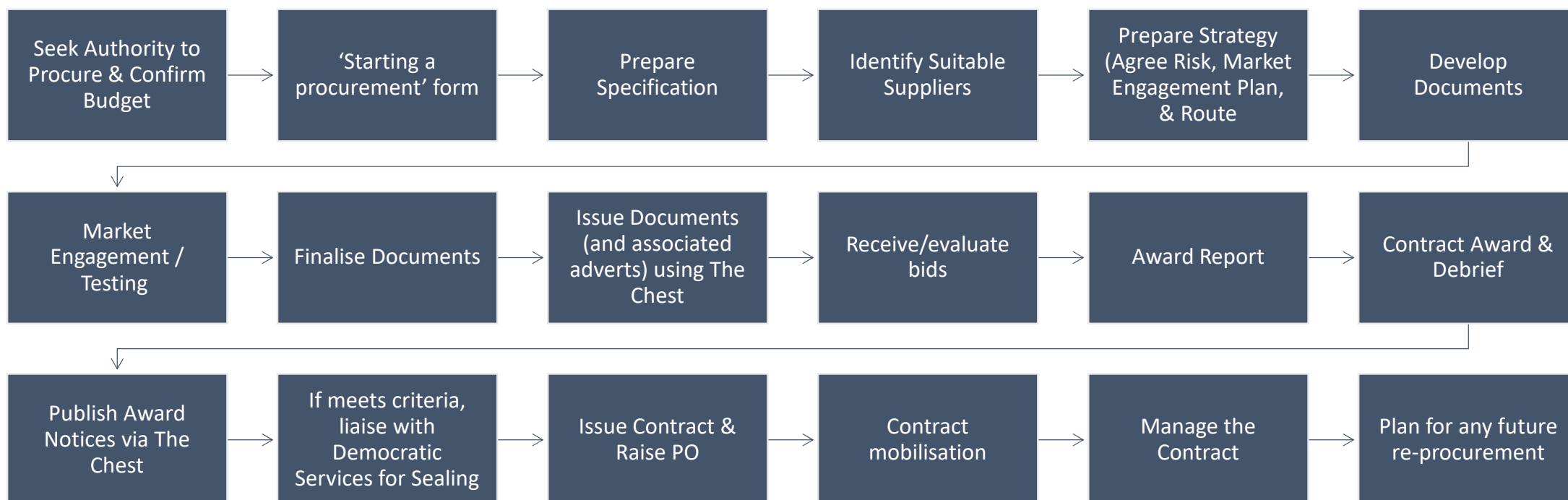
# Low Value Procurement Journey (£10-50k, 3 quotes)

Typically take 2 -3 weeks



# Sub-Threshold Procurement Journey (Over £50k – Threshold)

Typically take 3 weeks – 3 months, depending on level of risk



# Route to Market: Above Threshold

- Above threshold – currently (inc VAT):
  - Supplies & Services £213,477
  - Works £5,336,937
  - Light Touch Regime £663,540
- Strategic Procurement must be involved and work with you to agree the process and route to market
- Very specific rules and processes to follow
- New Regulations are due Autumn 2022
- Can take 3-12 months depending on complexity and route to market



**No further information provided as above threshold procurement should only be done in conjunction with Strategic Procurement and must be compliant with Regulations**

# Route to Market: Frameworks



The 'Starting a procurement' form to be completed for your call-off to ensure compliance & transparency



Strategic Procurement will work with you to check the framework is compliant



Must follow the rules of the Framework when you call-off from it including evaluation weightings, process and award



You can Call off Frameworks multiple times and is a very quick process.



Must still prove that it is value for money when making a call off from a framework.

There are sometimes more than one framework option available,



**Commonly used frameworks:**

Crown Commercial Services

YPO

ESPO

Bloom Consultancy

Construction Hub



If you want to set up a Framework Agreement then discuss with Strategic Procurement



**When using external frameworks, the procurement risk sits with the Council, not the framework provider**

# Process: Why Do Market Engagement?

- Find out what the market thinks about our ideas, services choices, and approaches
- Identify if there is a more attractive way of packaging and scoping a future opportunity
- Gives us an idea of how suppliers / providers might approach the delivery of the service in question, or how they might address particular local circumstances that may impact on the services or proposals more generally.
- An early insight into the likely level of interest and potentially innovative, more cost effective, and new ways of doing things.
- We do not have to follow up the ideas we talk about. It is not a call to competition or part of the procurement, but can help us determine what we go out to the market with and when
- 2 way conversation – provide information but also ask for feedback

# Process: Market Engagement Methods

## Methods

- Use Expressions of Interest (EOI) document
- Research your market on the internet
- Meet the Buyer or market Engagement event
- Drop-in sessions
- Promote via The Chest, phonecalls, letters

## How

- Set the scene with suppliers
- Provide your initial thoughts and ideas
- Be clear about what feedback you want
- Ask about barriers, potential issues
- Training and advice for suppliers
- Be fair and equitable to all



**If unsure about what you should and shouldn't do when engaging with the market, then ask for advice from Strategic Procurement**



# Process: Specification

Means the outputs, outcomes, and the scope and nature of what you want to buy

It should be appropriate to what you are buying & capture all your requirements

You will need to write this as you are the subject matter expert for what you are buying

Suggest includes:

- Introduction
- Scope
- Background
- Requirements – overall, functional, technical, security, training etc
- Timescales and milestones
- Contract requirements including KPI's
- Skills and expertise

# Process: Contract Drafting

- All Contracts below £10,000 may be awarded by a Council issued Purchase Order
- There are standard terms and conditions which should be used
- Where a framework is being used, the agreed framework terms and conditions should be used
- If bespoke terms and conditions are needed, then you must liaise with Legal Services prior to issuing the tender/quote.
- Check whether the contract will need sealing and build this into your timescales

# Process: Evaluation Weightings

- Appropriate and proportionate
- Demonstrate value for money – Most Advantageous tender (MAT)
- Should not be 100% quality, unless agreed with Strategic Procurement
- Recommended Social Value weighting of at least 10% in all procurement activity of £50,000 or over.
- For frameworks, must follow framework guidance on evaluation weightings and processes

# Process: Clarifications & Tender Opening

- All pre- and post-tender clarifications must be conducted in writing
- All clarifications and the written record of any meetings must be stored on The Chest.
- Where a meeting is required, there should be a minimum of two Officers of the Council in attendance
- Tender clarifications should be issued via The Chest
- Fair and transparent to all
- No paper tenders, must be done through The Chest
- Tender opening is electronic – via Strategic Procurement

# Evaluation

Once bids have been received, it is important that a robust evaluation is carried out so that we can demonstrate:

- Which bid / solution offers the best value for our money
- That we make our decision in a way that isn't biased
- That the decision we make is fair, open and accountable
- The offer is meeting everything we need for the contract

The evaluation process can vary significantly in how long it takes to complete depending on the complexity of the requirements and responses, how many solutions were returned, how big the evaluation panel is.

 **To ensure a transparent evaluation process is undertaken, you must publish the evaluation criteria in the quotation / tender documents**

# Evaluation

Selection	Award
<p>Selection Criteria are a mix of the minimum acceptable criteria and standards you require.</p> <p>They must be backwards looking at an organisation or its personnel's competency, capability, capacity, and past experience and performance on similar types of requirements.</p> <p>They are pass / fail criteria and bidders are judged to either meet the criteria or not.</p>	<p>Award Criteria includes both Quality and Price, and attribute a weighting to each.</p> <p>Both quality and price should be used in evaluations to determine the Most Advantageous Tender (MAT) – i.e. the solution that offers the best quality at the best price.</p> <ul style="list-style-type: none"> <li>• <b>Quality</b> - These must be forwards looking at the organisations solution and how they intend to deliver your requirements.</li> <li>• <b>Price</b> - Price at a basic level can include just the price to be paid for the delivery of your requirements. Price could also include evaluation on a whole life cycle costing model, which takes into account the costs attributable to you for the acquisition, use (including energy consumption, costs of greenhouse gas emissions), maintenance, and end of life costs (such as disposal, reuse, or recycling).</li> </ul>

# Evaluation: Methodology

To ensure a transparent evaluation process is undertaken, we publish the scoring methodologies in the quotation / tender documents.

- Scoring methodologies are explanations as to how you will score each question or criteria. It sets out what you are looking for in a response to award a certain score.
- Best practice is to score out of 4, with a methodology published for each score of 0 – 4.
- No half marks are allowed to be awarded.

New criteria or scoring methodologies **should never** be introduced once the deadline for submissions has passed. If you need to make changes, then you either need to communicate the changes to the bidders during the quotation/tender period and increase the submission deadline date by an appropriate period.

During the evaluation process it may become necessary to seek clarifications from bidders on their solution. Clarification of information submitted is acceptable, however, changes to submitted bids, or even changing your requirements is not allowed at this stage. The clarification process is purely to further understand any ambiguities or contradictions in a bidders solution.

It is important that only the documentation submitted by a bidder is used for the evaluation, whilst you may know about the company, and may be familiar with their products and solutions, you can only evaluate based on what they have submitted.

Every evaluation must be recorded at the time of evaluation. Such notes (this includes notes by individual evaluators and those from the moderation meeting) must include the score awarded and the reason why you awarded that score. Such reasons should reflect back to the criteria and scoring methodology.

# Evaluation: Panel members

- At least one officer involved in the evaluation must have a sound knowledge and understanding of the requirement / problem to be addressed (the technical expert).
- For **procurements below £50k** the evaluation may be undertaken by a single individual, however, it is best practice for at least 2 officers are involved in the evaluation process. For **Sub-Threshold Procurement**, the evaluation should be undertaken by a minimum of 2 officers, but may also be by a wider evaluation panel. For **Above Threshold Procurement**, the evaluation should be undertaken by an evaluation panel of no less than 3 officers.
- Additional members of the evaluation panel can include other experts (for e.g. finance, legal, H&S, HR) as required. It is possible to include evaluation panel members who are not Council staff.
- Where an evaluator believes there is a conflict of interest in their involvement in the process, they should not proceed with the evaluation. They should find an alternative evaluator to take their place
- All evaluators must complete a Declaration of Interest



# Process: Award of Contract

## **Award to the winning bidder**

- Complete the Award Report with winning bidder details
- Award of any openly advertised RfQ or ITT in excess of £25,000 shall be published on Contracts Finder
- All Bidders must be notified simultaneously and in writing via The Chest
- Bidders should be informed of the relative advantages of the winning quotation(s) or tender(s) in comparison to their own whilst retaining confidentiality
- If receive a complaint, challenge or request for further information then discuss with Strategic Procurement immediately

# Process: Contracts

Have you got the delegated Authority to sign the contract?

All Contracts below £10,000 may be awarded by a Council issued Purchase Order

Agreements equal to and exceeding £10,000 must be in writing

Standard terms and conditions should be used, or the agreed framework terms and conditions

If bespoke terms and conditions are needed, then you must liaise with democratic Services prior to issuing the tender/quote. The completed Procurement Checklist must also be provided.

All Agreements must be signed prior to commencement

# Process: Contracts for Sealing

Sealing is carried out by Legal Services

Will require a fully completed Award Report

Sealing must take place when:

- Contracts above the key decision value (£500k) – unless agreed otherwise by Legal Services;
- New framework agreements;
- Where there is no consideration (i.e. money or money's worth) by one party (e.g. grant agreements, where the council is paying a voluntary sum to an organisation but the organisation is not giving anything in return); and,
- Other high risk contracts (as advised by Legal Services) where a longer limitation period of 12 years is required.

# Process: Contract Management

All Contracts in excess of £5k must be published on the Council's Contracts Register

Procuring Officer is responsible for Contract Management, unless otherwise agreed

Document retention – make sure the contract is saved in shared folder!

You are responsible for reviewing, monitoring and evaluating the Agreement

If you don't proactively manage your contract then your contractor may not be delivering what has been agreed.

If there are issues with contractor performance and you haven't contract managed then taking action against the contractor is extremely difficult

# Process: Contract Management

Contract management includes:

- Performance (against agreed KPIs, where relevant, including Social Value commitments)
- Compliance with specification and contract
- Cost – make sure they invoice the contracted prices
- Any Best Value duties
- Continuous Improvement
- User satisfaction
- Risk management



You must pro-actively plan any re-procurement, renewals, modifications, extensions etc

# Lessons Learnt

The conclusion of any contract is the ideal time to review how well the contract performed. You should explore lessons learned: these can inform future contract terms or strategies. You should determine what worked well and any areas that could be improved.

All those involved with the bid and/or contract, both in your organisation and the bidder organisations, can be asked for feedback. This could include a variety of roles e.g. contract managers, procurement officers, logistics, estate managers, etc

Any lessons learnt throughout any stage of the procurement and contract management should be fed back to Strategic Procurement who can then review to see whether processes, procedures or advice needs updating.

This Procurement Handbook will be updated regularly

# Exemptions

Exemption used when Council Standing Orders have not or cannot be complied with

- Absolute Last Resort
- No Guarantee it will be accepted
- Can take time to get approvals
- May only exempt for a period to run a procurement process
- Require sign off from legal & finance
- Require review from procurement
- You must use the Exemption Form



**Lack of time or poor planning is generally not a valid reason for an exemption**

# Modifications

Changes to the contract

- Require sign off from legal & finance
- Require review from procurement

Allows for transparency

Must update the contract

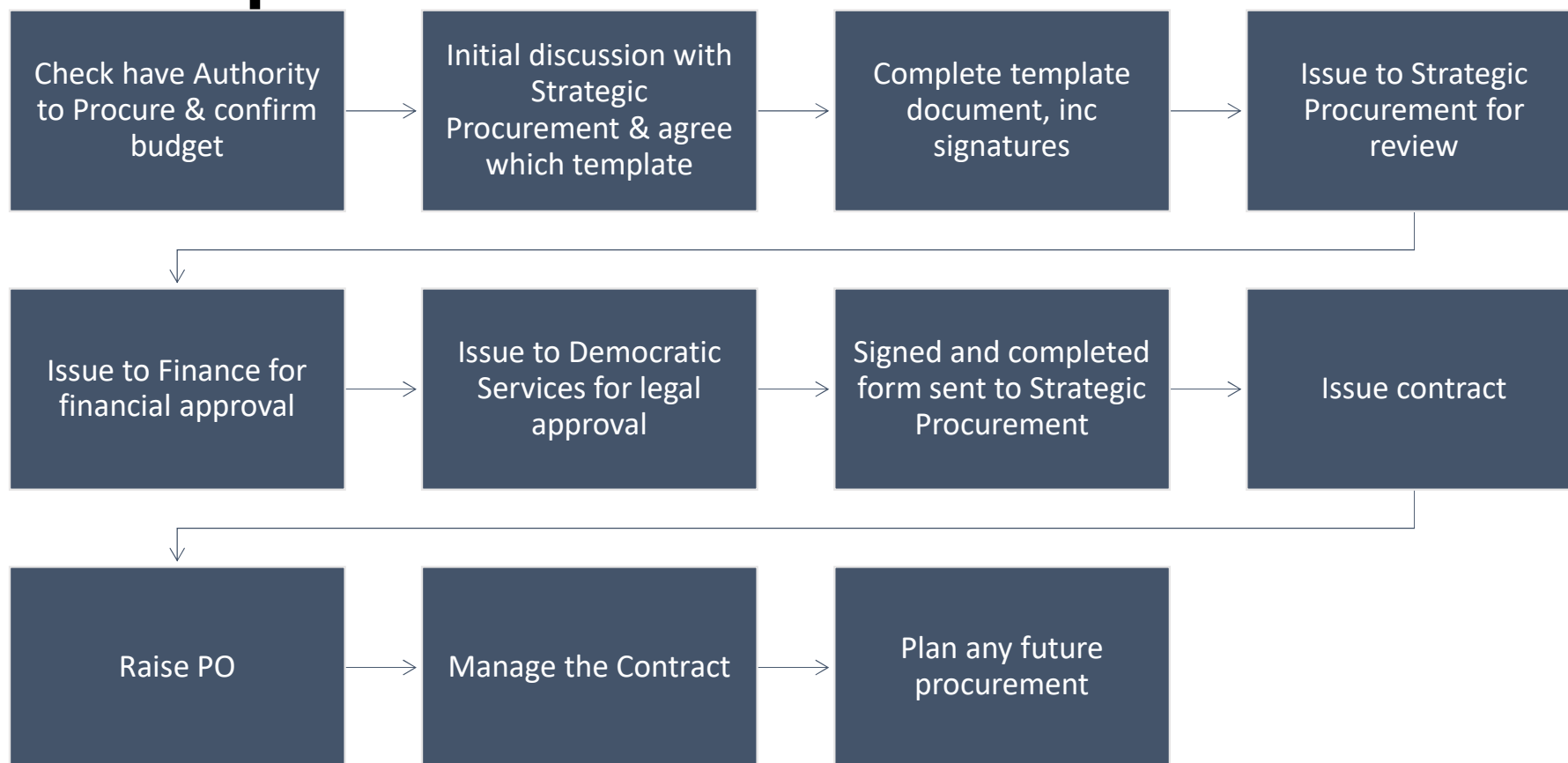
Includes reductions in scope as well as increases

Use the Modification Form

Inform Strategic Procurement so CR can be updated

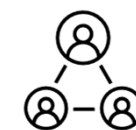


# Exemption & Extension Journey



# Social Value

Social Value weighting of at least 10% in all procurement activity over £50k



Social

'Social Value is considered as the **wider benefit** gained by the **local community, businesses and the environment** through the **better spending of public money**.'



Economic

Should be relevant, proportionate, achievable, simple and measurable



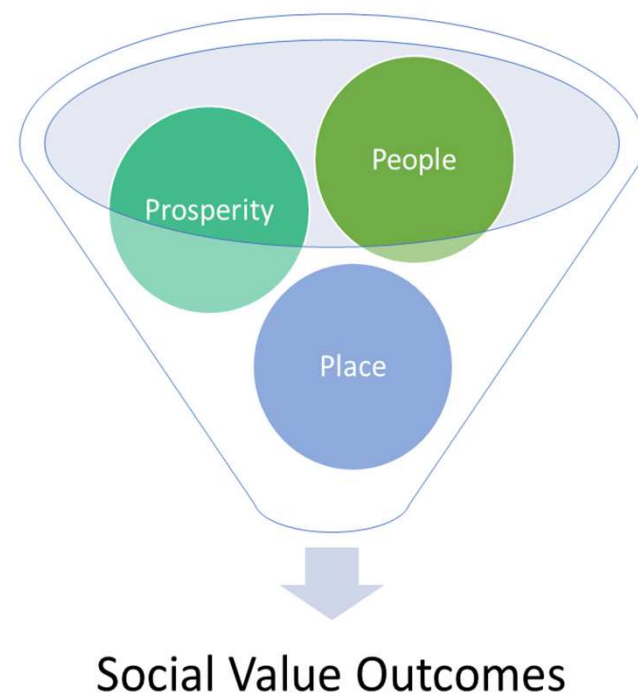
Environmental

# Social Value

What Social Value does Bury want?

1. Links to Lets Do It
2. Service delivery plans

- What will the contractor deliver?
- How will they deliver it?
- Include in contract and as a KPI
- You must manage and monitor performance



# Social Value: Some Examples

Social	Economic	Environmental
<ul style="list-style-type: none"> <li>• Initiatives to reduce crime</li> <li>• Initiatives to reduce homelessness</li> <li>• Donations to local community projects</li> <li>• Volunteering hours to local community projects</li> <li>• School visits</li> <li>• Training</li> <li>• Work placements</li> </ul>	<ul style="list-style-type: none"> <li>• Use of local supply chain</li> <li>• Voluntary hours to support VCSE's</li> <li>• Business advice</li> <li>• Staff wellbeing</li> <li>• Real Living Wage</li> <li>• Payment of invoices within 30 days</li> <li>• Local employment</li> <li>• Apprenticeships</li> </ul>	<ul style="list-style-type: none"> <li>• De-carbonisation</li> <li>• Programme to achieve net-zero</li> <li>• Energy efficiency measures</li> <li>• Use of renewables</li> <li>• Recycling initiatives</li> <li>• Re-forestation initiatives</li> <li>• Waste management</li> <li>• Water saving</li> <li>• Zero emission vehicles</li> <li>• Single use plastic reductions</li> </ul>

# Real Living Wage

## New Contracts:

All Bury contracts with in-scope workers include payment of the RLW

- *Commitment:*
- *"We will ensure that the Real Living Wage is embedded within our procurement processes and commended to bidders through our ITTs."*

**BURY**  
LET'S Do It!

## In-scope:

- **ADD**
- Included in 'Starting a Procurement' form
- Questions added to the Supplier Questionnaire
- ITT and RFQ templates include clause (Section 3 3.5)

# Information Governance

To Update

# Audit

You need to ensure that all your documents are accessible in case of an internal or external audit. In summary:

Bury Council Files	The Chest
Starting a Procurement form	ITT/RfQ
Contract Register	Terms and conditions
Completed exemptions & modification forms	All bidder correspondence
Templates	Evaluation notes and matrices
Strategy, Handbook and CPR's	Contract award
Training materials	Contract notices
	Contract management information

# Roles & Responsibilities - You

Completion Starting a  
procurement form and  
Award Report

Completion of  
declaration of interest

Ensure fair, open, and  
transparent procedures  
are followed

Ensure all appropriate  
governance is in place  
and followed and  
obtaining approvals to  
procure

Provide the appropriate  
technical expertise for  
the required supplies,  
works, or services

Drafting a compliant  
specification and  
evaluation criteria

Considering Social Value  
requirements

Drafting responses to  
bidder queries

Evaluation and  
moderation in line with  
best practice

Drafting feedback to  
suppliers

Contract monitoring  
and management

Managing Exemption,  
Modification and  
Extension processes

Planning and preparing

Asking for help and  
advice when needed

Undertake relevant  
training



# Strategic Procurement Support

- Help and advice
- Manage the Contracts Register
- Keep Procurement Guide up to date
- Review exemptions and modifications
- Template documents
- Review of the Contract Procedure Rules
- Terms & Conditions templates
- Training
- The Chest maintenance
- Publication of notices

# Key Messages

- Read and understand the new Contract Procedure Rules
- Know what contracts you have in place and ensure they are on Contracts Register
- Plan ahead for your procurements
- Engage early with Strategic Procurement
- Fair, open and transparent
- Significant implications if it goes wrong
- Your obligation to comply
- Ask for help if unsure

# Contact/Further Info

If you are unsure about any aspects of the procurement process or procedures, then please contact Strategic Procurement

CorporateProcurement@bury.gov.uk

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<b>Classification:</b> Open	<b>Decision Type:</b> N/a
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<b>Report to:</b>	Audit Committee	<b>Date:</b> 01 December 2022
<b>Subject:</b>	Internal Audit Progress Report	
<b>Report of:</b>	Section 151 Officer	

## Summary

1. This report sets out the progress to date against the annual audit plan 2022/23. The report enables Members to monitor the work of the Internal Audit service, raise any issues for further consideration and provide an opportunity to request further information or to suggest areas for additional or follow up work.

The conclusions drawn from the report are:

- The majority of work outstanding from the 2021/22 plan has now been completed and work on 2022/23 plan is progressing. Twelve reports have been issued to Members since the beginning of the financial year.
- One report within the 2022/23 annual plan has been issued with a Limited assurance to date. This report will need to be considered within the Annual Governance Statement produced at the end of the financial year 2022/23.

## Recommendation(s)

- Members note this report and the work undertaken by Internal Audit
- Members agree that the Chair of Audit Committee approves the deferral of audit reviews in-between Audit Committee meetings.

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## Report Author and Contact Details:

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*Department: Corporate Core - Finance*

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## Background

- 1.1 This report outlines the work undertaken by Internal Audit between 1<sup>st</sup> April 2022 to 17<sup>th</sup> November 2022.
- 1.2 Management is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements i.e., the control environment. Internal Audit plays a vital role in reviewing whether these arrangements are in place and operating properly and providing advice to managers. On behalf of the Council, Internal Audit review, appraise and report on the efficiency, effectiveness and economy of these arrangements and provide assurance to the organisation (Chief Executive, Executive Directors, and the Audit Committee) and ultimately the taxpayers, that the Council maintains an effective

control environment that enables it to significantly manage its business risks. The service helps the Council achieve its objectives and provides assurance that effective and efficient operations are maintained.

- 1.3 The assurance work culminates in an annual opinion given by the Head of Internal Audit on the adequacy of the Council's control environment, based on the work undertaken, and this opinion feeds into the Annual Governance Statement.
- 1.4 The Internal Audit Plan for 2022/23 provides for 684 days to be delivered throughout the 2022/23 year across all Council Departments, and group companies i.e., Six Town Housing and Persona. The Audit plan covers a range of themes.
- 1.5 The 2022/23 plan was approved by Audit Committee at the meeting on 25<sup>th</sup> July 2022.
- 1.6 Work has been continuing throughout the year to date, completing outstanding reviews from 2021/22 and addressing audits in the 2022/23 plan. Regular progress reports are produced, informing Members of audit activities, and this is the second report of the 2022/23 financial year covering the period from 1<sup>st</sup> April 2022 to 17<sup>th</sup> November 2022.

## **2.0 ISSUES**

### **2.1 Annual Audit Plan**

- 2.1.1 The annual plan for 2022/23 was presented to Audit Committee in July 2022 and provided for 684 audit days to be delivered throughout the year.

The original plan is shown at appendix A and has been updated to show the current position.

The number of days earmarked in the original plan to undertake investigations has been exceeded. Additionally, a request has been received for an additional piece of work to be undertaken from the Director of Children's Services. Therefore, there is a proposal that three audits are deferred from the 2022/23 plan.

### **2.2 Audit Plan Progress**

This report details the outcome of reviews undertaken, including work reported to Audit Committee in this period, work currently ongoing and draft reports which have been issued to Audit clients.

#### **Audits completed and Reports Issued.**

- 2.2.1 There are two tables detailed below.

Table 1 below summarises the 4 audits that have been finalised and issued since the commencement of the current financial year but relating to last financial year, and the corresponding number of agreed actions and overall level of assurance provided for each of those audits.

These reports were considered in formulating the annual opinion of the Head of Internal Audit, reflected in the Annual Governance Statement for 2021/22 and will not be carried forward and reflected in the opinion for 2022/23.

Full reports have been provided to Committee Members for each of these reviews, during the Committee meeting which met on 25<sup>th</sup> July 2022.

Table 1: Final Reports Issued – already considered in annual opinion for 2021/22

Audit	Number of agreed actions and priority				Level of Assurance
	Fundamental	Significant	Merits Attention	Total	
Estates Property Management	7	7	2	16	Limited
Choices for Living Well (Killelea) Petty Cash	3	6	0	9	Limited
Residential Placements	0	1	1	2	Moderate
Leisure Income	1	7	1	9	Limited
<b>Total</b>	<b>11</b>			<b>36</b>	

Table 2 summarises the 8 audits which have been finalised and issued since the commencement of the current financial year and the corresponding number of agreed actions and overall level of assurance provided for each of those audits. All of these relate to audits included within the 2022/23 audit plan and will be considered when formulating the annual opinion of the Head of Audit for the 2022/23 Annual Governance Statement.

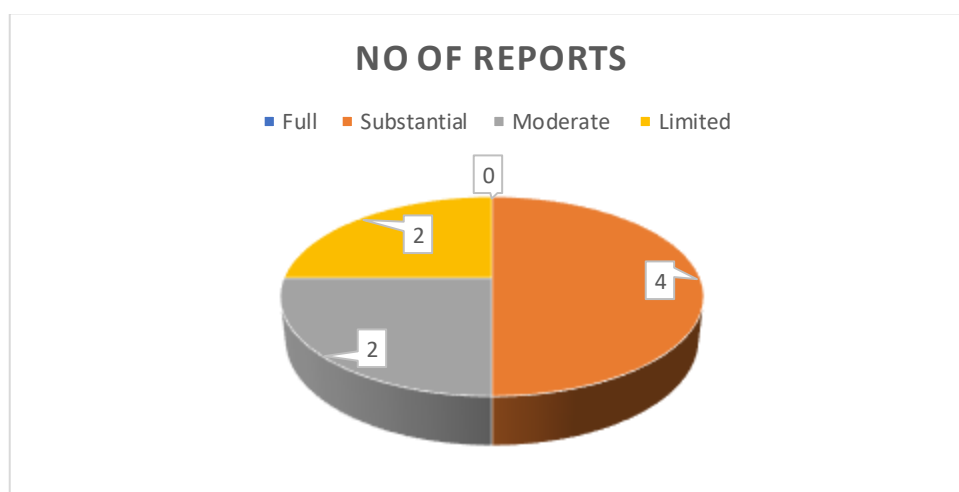
Reports shaded in the table were presented to Audit Committee in September 2022. For the remainder of the reports, summary reports detailing the overall opinion, the findings, recommendations, and action plans of these reviews, are presented in part B of this Audit Committee meeting. The summary reports are exempt from publication as they may contain information which is likely to reveal the identity of an individual or information relating to the financial or business affairs of any particular person (including the Authority).

Table 2: Final Reports Issued – which will be considered in the overall annual opinion for 2022/23. (Summary reports are available in Part B of the meeting).

Audit	Number of agreed actions and priority				Level of Assurance
	Fundamental	Significant	Merits Attention	Total	
Bury Council					
Contracts Register	0	2	2	4	Substantial
NNDR Key Controls	0	2	1	3	Moderate
Housing Benefit Key Controls	0	1	0	1	Substantial

Council Tax Key Controls	0	2	0	2	Substantial
<b>Six Town Housing</b>					
Six Town Housing Disabled Facilities Adaptations	2	2	0	4	Limited
Six Town Housing - Procurement of Contractors and Delivery of Capital Programme	0	3	1	4	Moderate
Hoarders	1	8	1	10	Limited
Anti-social behaviour	0	1	2	3	Substantial

Number of assurance levels given in Final Audit reports to be considered in the annual opinion for 2022/23.



2.2.2 Any level of assurance given to each audit is a balanced judgement based upon the established system of controls, the subject's approach to risk management and the nature of any recommendations and actions agreed. (See appendix B for explanations of the various levels of assurance).

Actions are classified over the categories of Fundamental, Significant and Merits Attention. See appendix B for explanations of the various levels of priority.

2.2.3 The agreed actions are designed to improve the control environment and / or improve "value for money" within the client's area of responsibility and we can report that the actions made in this period have been agreed by management.



Our audit reports include an action plan that records the detail of our findings, the agreed action that management intend to take in response to these findings and the timescale to undertake such action. This provides a record that progress can be measured against when we undertake our Post Implementation Reviews or follow up work.

## **2.3 Follow ups**

All audit reports are subjected to a follow up review. For those reports issued with limited assurance, a follow up review is undertaken 3 months after the report has been finalised, and for all other reports, a follow up is undertaken after six months. The recommendations which had been graded fundamental or significant are subject to follow up. Eight follow up exercises have been undertaken in 2022/23, and details are presented in. part B of this meeting

## **2.4 Other work**

This section details other work completed by the audit team during the period.

### **2.4.1 Assurance work - Ongoing reviews**

There are some audits still being finalised from the 2021/22 plan and work is ongoing to deliver the audits detailed in the audit plan for 2022/23. It is expected that final reports will have been issued for these areas before the next Audit Committee meets in March 2023. Audits which are currently taking place are: -

#### 2021/22

- Housing Development Programme (AB)
- Highways Maintenance

These audits are being finalised, and draft reports are expected to be released in December 2022.

#### 2022/23

- Cash and Bank Key Controls
- Payroll Key Controls
- Main Accounting Key Controls
- Treasury Management Key Controls
- Six Town Housing Rents Key Controls
- CCTV
- Payroll and Additional Hours (Operations Department)
- Procurement exercise (specific creditor)
- Six Town Housing – No access

The key control reviews for the Council, and the CCTV review are being finalised, and draft reports are expected to be released in December 2022. The remaining

reviews, including the Six Town Housing reviews, are ongoing and draft reports are expected to be released in January 2023.

#### **2.4.2 Assurance work – Draft reports**

##### 2021/22

- Complaints (Children's Services) – meeting with service 16.11.2022

##### 2022/23

- Creditors Key Controls
- Debtors Key Controls

#### **2.4.3 Grants**

The following grant claims have been reviewed. The grant claims were agreed and signed off as accurate.

- Public Sector Decarbonisation Scheme
- Track and Trace Support Payments
- Bus Operators Grant
- Local Transport Capital Block Funding (Pothole Fund)
- Universal Drug Treatment Grant

#### **2.4.4 Investigations / Fraud / Whistleblowing**

Internal Audit are responsible for updating the Council anti-fraud and corruption policy which incorporates the whistleblowing policy.

The policy is scheduled for review. Work has commenced to review the policy, and it is anticipated that the refreshed policy will be brought to the Audit Committee which meets in March 2023

The audit section is also responsible for managing whistleblowing information reported to the Council.

The team continues to be available to support the business with internal investigations providing technical skills and advice when called upon and managing the whistleblowing hotline / online referrals.

Any investigations relating to whistleblowing, which are undertaken by the Internal Audit section will be reported to future Audit Committee meetings in part B of the meeting.

The original annual plan provided for 50 days to be spent on investigations, and as at 11<sup>th</sup> November this figure had been exceeded and totalled 81 days.

#### **National Fraud Initiative**

The Council is required to take part in the mandatory exercise which is undertaken every two years. Data extracts from a variety of financial systems are submitted to the Cabinet Office, where the information is cross checked to similar information from other organisations. The 2022 exercise has now commenced. Data extracts have been taken from a number of systems and are being verified and uploaded to the Cabinet Office, where they will be matched with submissions from other organisations. Results indicating possible data matches are expected to be released in January 2023. Future Committee reports will provide an update regarding the position of the NFI exercise.

#### **2.4.5 Information Governance and Data / Digital**

Internal Audit provide advice and consultative support to the Council's arrangements for information governance and its response to the Information Commissioners Office (ICO) inspection in June 2021. An IG Delivery Group has been established and Internal Audit are represented on this group.

#### **2.4.6 Supporting Transformation and Change**

The Internal Audit Plan includes a provision of days to be made available to support services throughout the year by providing consultancy advice or independent assurance as / when our input is appropriate.

- Payroll: Support and advice has been given to the HR and Payroll Teams as they develop the use of the i-trent payroll system.
- Advice has been given to schools to address enquiries regarding petty cash, how to deposit income to the Council bank account, retention of records and pecuniary interests.
- Advice is currently being given regarding the review of the income collection system for the Bereavement Service.

#### **2.4.7 School Audits**

Individual School Audits are not incorporated in the 2022/23 plan, they have been replaced with thematic reviews of areas which were covered in the school audit reviews.

There are however arrangements in place that Internal Audit will undertake School Audits on request from the Executive Director of Children's Services and / or Executive Director of Finance, where it is thought an audit review would be beneficial to the School and the Council. There have been no requests to date for individual schools to be audited.

A Schools Assurance Group has been established within the Council and Internal Audit are represented on this group, providing advice to the group on specific issues which may arise at schools.

### **2.5 Resources**

#### **2.5.1 Requests for additional work**

Throughout the course of 2022/23, audit resources have had to be utilised to respond to various whistleblowing allegations which have been received. As identified above

the days utilised to date have exceeded the annual plan provision for this year by 31 days.

Additionally, a request has been made to provide support to Children's Services, to examine the system / processes for reaching care planning permissions.

Therefore, there is a need to revisit the annual plan and delete / defer work which was originally planned. It is proposed that days are made available to address the latest risks, by deferring the following pieces of work from the 2022/23 plan and reconsidering them when preparing the 2023/24 plan: -

Subject	Days	Reason to defer
Risk Management and Assurance Framework	15	Whilst a risk manager has been appointed the restructure will not be implemented until the New Year
Corporate Finance Budgetary Controls	15	Corporate review ongoing
Six Town Housing Client Management Arrangements	15	Corporate review ongoing
Total	45	

An exercise is to be undertaken which will look at: -

- time spent to date on other audit areas to determine if additional resources were needed to complete the reviews
- to look at the remaining subjects in the audit plan, and to consider if the estimated resources are still appropriate, given the size and span and depth and complexity of reviews and the staff available to undertake the reviews.

In the event that it is identified that further work may need to be deferred it is proposed that approval to defer work is given by the Chair of Audit Committee in-between audit committee meetings.

Whilst the exercise has not yet been completed, it is proposed that the following reviews are put forward for potential deferral.

Subject	Days	Reason to defer
Complaints	15	Have undertaken a review of Complaints within Children's Services which are administered by the Corporate Core Team, substantial level of assurance given.

#### 2.5.2. Staffing

There has been a small amount of sickness reported in the team for the current financial year.

A team member is undertaking a professional accountancy course, supported by the organisation via the apprenticeship levy. Part of the support includes providing time within the working week to undertake study and gain work experience.

There are no adjustments currently required to the audit plan to reflect any changes to staffing resources.

Recruitment is ongoing to fill the posts created as part of the finance restructure and the posts of senior auditor and auditor will now be advertised externally.

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### **Links with the Corporate Priorities:**

*Please summarise how this links to the Let's Do It Strategy.*

- Internal Audit undertakes assurance work to all Departmental Directors and Statutory Officers regarding the systems in place, making recommendations for improvements to control and protect the assets and resources of the Council. The control and mitigation of the loss of funds gives the assurance that public money is used in an appropriate manner to deliver the Corporate Priorities.

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### **Equality Impact and Considerations:**

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Internal Audit provide assurance to Committee Members and the public that the organisation is delivering services in line with agreed policies and procedures which have considered the requirements of the Equality Act 2010.

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### **Environmental Impact and Considerations:**

*Please provide an explanation of the carbon impact of this decision.*

- N/a – no decision required

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**Assessment and Mitigation of Risk:**

Risk / opportunity	Mitigation
Risks are highlighted in Audit Plans and in the terms of reference for each Audit review.	Internal Controls are reviewed in each audit to mitigate identified risks. Actions are reported to managers and progress is monitored and reported on a regular basis.

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**Legal Implications:**

- The Council must have a sound system of internal control which facilitates the effective exercise of its functions, including risk management. This is both a legal requirement and a requirement of the Financial Regulations set out in the Council's Constitution. This report provides information on the work of the Council's Internal Audit Service, in ensuring compliance.
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**Financial Implications:**

- There are no financial implications arising from this report. The work of the Internal Audit Service however supports the governance framework.
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**Background papers:**

- Internal Audit Plan 2022/23
- Internal Audit Reports issued throughout the course of the year

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

Term	Meaning

CORPORATE GOVERNANCE AND RISK								
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing	Reported	Assurance	Comments
Corporate Core	Risk Management and Assurance Framework	Failure to identify major risks that may prevent the Council from achieving one or more of its objectives. Failure to ensure that the major risks are being managed.	Review of risk management arrangements at corporate level – review of the Council's risk management strategy and arrangements for the maintenance of risk registers. Review the associated information management system and reporting arrangements.	15	QTR4			<p>Brought forward from 2021/22. To be completed once the finance restructure is recruited to which sees strength added in this area.</p> <p><b>Committee report December 2022 proposes this review is deferred for consideration in the 2023/24 plan</b></p>
Corporate Core	Complaints Procedures	Failure to comply with Council policy and regulations, potential for reputational damage should a complaint be	Review of system for receiving and dealing with complaints.	15	QTR2			2021/22 undertook a review in Childrens Services following request from Management.

		taken to the Ombudsman.						Included in 2022/23 to do a further review in another service area. <b>Committee report December 2022 proposes this review is deferred for consideration in the 2023/24 plan</b>
Corporate Core	FOI /Subject access	Failure to comply with Council policy and regulations, potential for reputational damage should a complaint be taken to the Ombudsman.	Review of system for receiving and dealing with FOI / SAR requests. Specific request to focus testing on Childrens' Services.	15	QTR3			Brought forward from 2021/22
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Six Town Housing	Procurement of Contractors and Delivery of Capital	Failure to comply with contract procedure rules, and failure to have adequate systems in place, could result in	Follow up review to ensure recommendations from a previous internal audit have been addressed and to review arrangements in	20	QTR1	Audit Committee October 2022	Moderate	Complete



	Programme Schemes	financial loss and additionally in reputational damage should complaints / allegations be received.	relation to the control of materials / stocks which was an issue raised in an external review commissioned by the Council in 2021/22.					Page 161
Childrens Services	Recruitment Process	Failure to undertake robust pre-employment checks (right to work in the UK etc.) which may result in reputational damage or financial penalties.	Review of recruitment process – including assurance over the design and operation of the recruitment process including: 1 completeness and timeliness of pre-employment checks 2 completeness, accuracy and timeliness of adding new employees to the payroll 3 monitoring by HR of compliance with pre-employment and recruitment processes 4 an appropriate division of duties is enforced by the system.	15	QTR4			2021/22 included a proposal for Corporate review - however Childrens Services asked for a piece of work and this has not yet been undertaken. Therefore brought budget forward from 2021/22 and propose to use this budget for the review requested by Childrens Services and defer Corporate Core review until 23/24

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Operations	Health and Safety	Potential damage to health / wellbeing or loss of life which may result in claims, reputational damage, litigation or corporate manslaughter	Review of Health and Safety arrangements within Operational Services, including the identification of services provided, the risk assessments in place action to address any remedial action identified.	15	QTR3			Brought forward from 2021/22
SERVICE REFORM (Core Financial Systems)								
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments

Corporate Finance	Finance Systems - key controls	Errors and omissions resulting in weaknesses in the integrity of financial data and statements	<p>Routine annual review of high-level controls within the key finance systems, retrospective review looking at transactions in 2021/22, to support closure of accounts process.</p> <p>Council Tax NNDR Housing Benefits Treasury Management Payroll Creditors Main Accounting Debtors Cash Collection and Banking.</p>	80	QTR 1			<p>Draft reports issued to client, expect to issue as final November 2022</p> <ul style="list-style-type: none"> <li>• Creditors</li> <li>• Debtors</li> </ul> <p>Draft reports in review process, expect to issue as draft December 2022</p> <ul style="list-style-type: none"> <li>• Treasury Management</li> <li>• Payroll</li> <li>• Main Accounting</li> <li>• Cash Collections and Banking</li> </ul> <p>Final reports issued to Committee</p> <p>NNDR Council Tax Housing Benefits</p>
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Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Corporate Finance	Budgetary Control	Failure to identify budget variances promptly and take corrective action.	Routine review of the council's approach to budget development, monitoring/ forecasting and taking action to address significant variances.	15	QTR4			<b>Committee report December 2022 proposes this review is deferred to consider in the 2023/24 plan</b>
Corporate Finance	National Fraud Initiative	Statutory requirements are not complied with	Manage and co-ordinate the NFI including additional checks on data matches where appropriate.	15	QTR3 and QTR 4			Ongoing exercise, New datasets uploaded to Cabinet Office – November 2022, results expected end of January, which will then need examining.

Corporate Finance	I-Trent - Payroll – Additional hours / overtime payments	Failure to respond effectively and efficiently to any major incident.	Review arrangements to manage and process timekeeping and overtime effectively as the self-serve module is introduced in i-trent. Cover all directorates, and report to each Executive Director with results of findings.	15	QTR2			Brought forward from 2021/22. Suggest choose one directorate – 15 days is too narrow to look at all directorates – <b>Work in progress</b>
SERVICE REFORM (Grants and Verification)								
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Corporate Finance	Grant Claims	Failure to comply with grant arrangements.	<p>Certification of those grant claims required to be certified by the Council's head of internal audit.</p> <p>Anticipated during 2022/23: - Public Sector Decarbonisation Scheme Bus Operator Grant</p>	15	QTR 1 to QTR 4			<p>Grants reviewed to 17.11.2022</p> <ul style="list-style-type: none"> <li>Public Sector Decarbonisation Scheme</li> <li>Bus Operator Grant</li> </ul>

								<ul style="list-style-type: none"> <li>• Track and Trace Support Payments</li> <li>• Universal Drug Treatment</li> <li>• Local Transport Capital Block Funding (Pothole Grant)</li> </ul>
Children and Young People	Dedicated School Grant	The Council may fail to address the recommendations made by the DFE, and DSG recovery may not be achieved.	Review work being undertaken to ensure that recommendations identified during the Safety Valve project are being addressed and DSG recovery is being achieved.	20	QTR3 / 4			

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Communities and Wellbeing / One Commissioning Organisation	GM Supporting Families (TFG)	Failure to comply with grant requirements and failure to deliver programme objectives.	Routine annual review. GMCA have been granted devolved powers over the programme and are collaborating to develop a more traditional / risk-based approach to the annual assurance work. Reviews to be undertaken once / twice a year as directed by GMCA and the devolution agreement.	10	QTR2/3			Email from GMCA will need to do qtr 4 – changes have taken place which will impact the grant work to be undertaken by Internal Audit .. Meeting arranged with auditors for December to outline the changes to the audit work.

PLACE AND PEOPLE								
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Corporate Core	CCTV	Failure to adhere to the agreement and follow the CCTV Code of Practice could impact on the Council's reputation and reliance placed on the CCTV function in supporting other agencies and community safety.	Annual review as required by CCTV agreement.	5	QTR1			Work in Progress, audit is in the review process.
Operations	Stores	Weaknesses in the control of assets and stock may result in losses / increased costs.	Review the arrangements to manage the assets held at the Stores based at Bradley Fold depot.	15	QTR3			
Children and Young People	Independent Foster Agency	Inability to place "looked after children" with suitable families or promptly as the need arises.	Review of the use of IFA's, including the controls in place to help ensure cost effectiveness and manage	20	QTR4			Brought forward from 2021/22. There is also additional capacity to the foster team



			quality and quantity of placements.					as part of the Childrens and Young People Restructure to increase the number of Bury foster carers.
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Children and Young People	Care Packages	Failure to comply with Council policy and legislation when procuring goods / services / administering contracts with suppliers. Best value may not be achieved, and high-cost care packages may not be challenged.	A review of the process for the calculation and award of care packages for vulnerable children, and the billing and payment processes around care processes to provide assurance that financial risks are mitigated. Review arrangements in place for ongoing reviews of care packages to ensure they are still appropriate and consider the financial controls in particular authorisation for changes to rates and providers. Determine if any	15	QTR3			Brought forward from 2021/22

			benchmarking processes are in place and review.					
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Children and Young People	School and College Transport	Children with special educational needs may be excluded from Education as they may not have any available transport / support to enable them to be able to travel to and from school.	Review the management and contractual arrangements over SEN transport to ensure outcomes for service users are achieved and risks to the service users and the Council are mitigated.	15	QTR3			Brought forward from 2021/22
Communities and Wellbeing / One Commissioning Organisation	Home care packages	Failure to comply with Council policy and legislation when procuring goods / services / administering contracts with suppliers. Best value	A review of the process for the calculation and award of care packages for vulnerable adults, and the billing and payment processes around homecare processes to provide assurance that	15	QTR3			Brought forward from 2021/22 Allocated to auditor

		may not be achieved, and high-cost care packages may not be challenged.	financial risks are mitigated. Review arrangements in place for ongoing reviews of care packages to ensure they are still appropriate and consider the financial controls in particular authorisation for changes to rates and providers. Determine if any benchmarking processes are in place and review.					
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Operations	Fleet Management	Vehicles and plant may be mis-used / mis-appropriated	Review to assess the security of the vehicle and plant equipment and the arrangements in place to ensure that all items can be accounted for.	10	QTR3			Brought forward from 2021/22 Allocated to Auditor
Operations	Car Parking Income	Income due may not be collected, effecting cash flow of the Council. Additionally, errors and omissions	Review the processes in place to ensure that income due to the service is collected in line with any agreements in place, and	15	QTR3			Brought forward from 2021/22

		resulting in weaknesses in the integrity of financial data and statements	that the income is collected and posted to the accounts promptly.					
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Operations	Climate Change	Due to the Global increase in energy prices there will be significant increases in gas and electricity costs for 2022/23.	Review processes in place for the monitoring and targeted reduction of energy costs, including energy audits, building conditions surveys, and rationalisation of the estate	15	QTR 4			

CONTRACTS								
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Corporate Finance	STH Client Management arrangements	Failure to implement the clauses in place in the management agreement could provide a risk of financial loss to the Council in addition to reputational damage.	A new agreement has been implemented and a review is required to ensure that the terms of the agreement are being adhered to.	15	QTR3			Brought forward from 2021/22  <b>Committee report December 2022 proposes this review is deferred for consideration in the 2023/24 plan</b>
Corporate Finance	Persona	Failure to implement the clauses in place in the management agreement could	A new agreement has been implemented and a review is required to ensure that the terms of	15	QTR3			Brought forward from 2021/22

		provide a risk of financial loss to the Council in addition to reputational damage.	the agreement are being adhered to.					
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Business Growth and Infrastructure	Regeneration Projects	Failure to comply with Council policy and legislation	Identify regeneration projects that have / are taking place. Review a project to ensure that best practice was followed, considering project initiation, procurement of works, ongoing monitoring, and administration of payments, record keeping and post project implementation review.	15	QTR3			Audit brought forward from 2021/22
SUPPORT / SYSTEMS IMPLEMENTATION								

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Proposed Timing			Comments
Corporate Core – Finance	ITrent	Failure to adequately secure systems could result in a data breach, loss of service / downtime and loss of data.	Provision to support system implementation.	5	TBA			Advice to be given as and when requested.
			TOTAL	440				

OTHER COMMITMENTS		
Activity	Indicative Days	Comments
<b>Completion of audits commenced during 2021/22:</b>  <b>Regeneration Projects</b> <b>Estates Property Management</b> <b>Choices for Living Well (Killelea) Petty Cash</b> <b>Childrens Services -Complaints</b>	38	Indicative days increased from last year as were underestimated.  Final reports now issued for <ul style="list-style-type: none"> <li>• Estates Property Management</li> <li>• Choices for Living Well (Killelea) Petty Cash</li> <li>• Residential Placements</li> </ul>

<b>Residential Placements</b> <b>Leisure Income</b> <b>Highways Maintenance</b>		<ul style="list-style-type: none"> <li>Leisure Income</li> </ul> Draft reports being finalised for <ul style="list-style-type: none"> <li>Regeneration - Housing Development</li> <li>Highways Maintenance</li> <li>Childrens Service - Complaints</li> </ul>
<b>Audit work for Six Town Housing and Persona (separate audit plans)</b>	71	<p>STH only – plan reduced from 75 to 36 to bring in line with SLA.</p> <p>35 days planned for Persona</p>
<b>Post Implementation Reviews and Action Tracking</b>	30	<ul style="list-style-type: none"> <li>Following up limited assurance reviews in more depth – so need to increase provision to allow for additional testing.</li> </ul> <p>Follow ups completed for: -</p> <ul style="list-style-type: none"> <li>GDPR</li> <li>ICES</li> <li>Members Allowances</li> <li>Members Discretionary Budgets</li> <li>Debtors Key Controls 2020/21</li> <li>Cash and Bank Key Controls 2020/21</li> <li>Six Town Housing - Procurement</li> </ul>
<b>Contingency for GMCA Collaboration / reactive GM assurance work</b>	5	



<b>Contingency for Investigations and supporting the council's counter fraud strategy, including revision of whistleblowing policy.</b>	50	Provision increased as was too low last year. Provision has been exceeded, Audit Committee informed December 2022 and a request made to delete 3 audit reviews from 2022/23 plan.
<b>Contingency for reactive or unplanned work, management request, consultancy work</b>	30	Ongoing review regarding a specific creditor
<b>Audit Service Management and administration, including service development, assurance mapping, Quality Assurance and Improvement Programme (QAIP), anti-fraud and corruption strategy, audit planning and Committee's support</b>	196	
<b>Provisions for annual leave / training / sickness</b>	310	Increased from 2021.22 Have lost a member of staff, however, another Member of staff now undertaking CPFA training.
<b>Provision of ICT review – by Salford Computer Audit Services (System Licencing)</b>	20	Meeting has been held with Salford Technical Audit Team and Bury Council Joint CIO. Agreement made for review to be undertaken of IT Asset Management, including a review of software licensing. Review to commence December 2022.
<b>Total:</b>	<b>750</b>	
<b>Combined Total:</b>	<b>1190</b>	
<b>Audit days to be delivered</b>	<b>684</b>	(Exclude 196+310)

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**Explanation of Level of Assurance given in Internal Audit Reports:**

Overall Opinion	Explanation
<b>Full</b>	The framework of governance, risk management and control is adequate and effective
<b>Substantial</b>	Some improvements are required to enhance the adequacy and effectiveness of governance, risk management and control.
<b>Moderate</b>	There are significant weaknesses in the framework of governance, risk, management and control such that it could be or could become inadequate and ineffective.
<b>Limited</b>	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

**Explanation of different levels of priority for recommendations made in Internal Audit Reports:**

Recommendation	Explanation
<b>Fundamental</b>	Action required to address a fundamental breakdown of control and / or to prevent a serious financial loss.
<b>Significant</b>	Action required to address a significant control weakness and /or to significantly improve operational efficiency.
<b>Merits Attention</b>	Action required to enhance control and / or to improve operational efficiency.

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