

# AGENDA FOR AUDIT COMMITTEE



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**To: All Members of Audit Committee**

**Councillors :** R Bernstein, D Berry, I Gartside, M Hayes,  
J Hook, G McGill, E Moss (Chair), M Rahimov and  
M Rubinstein

Mr B Thomas – Independent Member  
Mr D Webster – Independent Member

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>	Wednesday, 23 July 2025
<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 - 16)*

The Minutes of the last meeting of the Audit Committee held on 8<sup>th</sup> April 2025, are attached for approval by the committee

### **4 MATTERS ARISING**

### **5 COUNCIL IMPROVEMENT PLAN** *(Pages 17 - 36)*

Report from the Director of Finance attached

### **6 MAZARS PROGRESS REPORT** *(Pages 37 - 60)*

Report from Mazars is attached.

Alistair Newall, Audit Director, Mazars will present the report.

### **7 INTERNAL AUDIT ANNUAL REPORT 2024/2025** *(Pages 61 - 80)*

Report from the Head of Fraud, Audit, Insurance and Risk (FAIR) is attached

### **8 CORPORATE RISK REGISTER** *(Pages 81 - 134)*

Report from the Section 151 Officer attached

Appendix A

Appendix B

### **9 INTERNAL AUDIT PROGRESS REPORT** *(Pages 135 - 158)*

Report from the Section 151 Officer attached

Appendix A

Appendix B

Appendix C

### **10 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.

### **11 INTERNAL AUDIT REPORTS** *(Pages 159 - 166)*

Report from the Section 151 Officer attached

**12 INTERNAL AUDIT - INVESTIGATIONS** *(Pages 167 - 170)*

Report from the Section 151 Officer attached

**13 COUNTER FRAUD TEAM QUARTER 1 REPORT** *(Pages 171 - 180)*

Report from the Section 151 Officer is attached  
Appendix A

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

**Date of Meeting:**       8 April 2025

**Present:**               Councillor E Moss (in the Chair)  
Councillors A Arif, S Arif, R Bernstein, D Berry, E FitzGerald,  
M Hayes and M Rubinstein  
Independent Members Benjamin Thomas and David Webster.

**Also in attendance:** Adrian Blackshaw – Senior Auditor  
Jacqui Dennis – Director of Law and Democratic Services  
Louise Kirkman – Risk Manager  
Neil Kissock, Director of Finance  
Neil Long – Director of Operations  
Karen Murray – Engagement Partner, Forvis Mazars  
Judith Smith – Senior Auditor  
Janet Spelzini – Head of Fraud, Audit, Insurance and Risk  
Kate Waterhouse - Executive Director (Strategy & Transformation)

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

**Apologies for Absence:** Councillor S Haroon and Councillor S Haroon and  
Councillor J Hook

**AU.63       APOLOGIES FOR ABSENCE**

Apologies were recorded above

**AU.64       DECLARATIONS OF INTEREST**

There were no declarations of interest made at the meeting

**AU.65       MINUTES OF THE LAST MEETING**

**It was agreed:**

That the Minutes of the last meeting be approved subject to the following inclusion:

**AU.51 2003/2004 ACCOUNTS**

- Councillor Moss referred to a change in the VFM arrangements relating to RAAC and asked if this would be reflected in the document. The Engagement Partner, Forvis Mazars stated that this would be reviewed and amended in the document.

**AU.66       MATTERS ARISING**

Councillor Moss referred to a question that had been raised by Mr Webster in relation to the Information Governance Report regarding comparisons of timescales to clear SAR and FOI requests across GM.

Mr Webster stated that he had requested this information be included in the reports going forward.

## **AU.67 UPDATE ON TRAINING**

Councillor Moss reported that Audit training had been arranged for all elected members to be provided by the Local Government Association at 5.30 pm on May 1<sup>st</sup> at the Town Hall. All members had been sent a calendar invitation to this.

It was also reported that Audit Committee Specific training had been arranged for 23 July for the Audit Committee as a pre meeting briefing before the next meeting of the Audit Committee on 23 July 2025.

Councillor Moss also explained that training would be provided at 6pm prior to the July meeting of the Audit Committee in relation to finance and the Council budget.

Members of the Committee asked that the pre meeting training be reconsidered due to the meetings lasting until 10pm and if this did go ahead for refreshments to be provided.

### **It was agreed:**

That the training options would be reconsidered, and Members of the Audit Committee would be advised of the decision.

## **AU.68 CORPORATE RISK REGISTER**

The Risk Manager presented a report which provided an updated position with regards to the risks identified and assessed on the Council's Corporate Risk Register.

25 risks were currently present on the Corporate Risk Register and had been identified as those that have the potential to disrupt the Council's strategic objectives and service delivery.

The report presents all relevant information and scoring of these risks, an overview being:

Of the 25 risks,

15 risks are currently rated as Significant (risk score 15-25)

9 risks are currently rated as High (risk score 8-12)

1 risk is currently rated as Moderate (risk score 4-6)

0 have increased in score

4 have decreased in score

19 have remained static

2 are newly introduced

- Councillor Bernstein asked what happened to a risk if a responsible officer left the organisation and hadn't been replaced.

It was explained that the risk would have new risk owners allocated to the risk until a replacement was in post.

- Councillor FitzGerald explained that she was the chair of the Health Scrutiny Committee where different information was shared and risks raised and asked how it could be that the risks that were raised to one committee were different than those within the Corporate Risk Register.

The Risk Manager explained that there were three different levels of risk; service risks, departmental risks and corporate risks. If there were concerns that risks were not included the Risk Manager could check that all risks were pulled through from the service risk registers and the departmental risk registers.

- Councillor Rubinstein asked about the treatment of risks and stated that if a risk were so severe in outcome it could never be reduced in score.

The Risk Manager explained that there would be a level of acceptance associated to all risks which would be mitigated down as far as it could be. There were regular reviews in relation to the potential of something happening in the future to look forward and continuously review risks.

**It was agreed that the Audit Committee:**

1. Note the report;
2. Receive the Corporate Risk Register at Appendix A
3. Receive the Risk Matrix presented at Appendix B
4. Confirm that the level of assurance provided against the risks is sufficient;
5. Approve the closure of CR21 – Project Safety Valve
6. Confirm that there will be no deep dive at the next meeting of the Audit Committee.

**AU.69 MEMBERS DISCRETIONARY GRANTS**

The Audit Committee received a report providing an update in relation to the Member's Discretionary Grants scheme.

It was reported that all Elected Members had donated their £1000 discretionary grant in accordance with the scheme.

**It was agreed;**

That the contents of the report be noted

## **AU.70 UPDATE ON COUNCIL'S IMPROVEMENT PLAN**

The Director of Finance presented a report giving a progress update from the Council to the Statutory Recommendation received from the External Auditor under schedule 7 of the Local Audit and Accountability Act 2014.

It was explained that the Council's external Auditors, Forvis Mazars, presented the outcome of their audit work in relation to their judgements in the area of the Council's Value for Money arrangements for the 2021/22 and 2022/23 financial years to the December Audit Committee meeting.

They identified three significant weaknesses in the Council's arrangements. These weaknesses are across all three reporting criteria that they are required to consider under the Code of Audit Practise, namely; financial sustainability, governance and for improving the economy, efficiency and effectiveness of services.

Forvis Mazars determined that use of their statutory reporting powers under the Local Audit Accountability Act 2014 was necessary and issued a statutory recommendation formally to the Chief Executive on 12 December 2024. They recommended that "The Council should, as a matter of urgency, develop a comprehensive Council wide improvement plan to reflect the transformation and cultural change needed across all departments, to ensure the Council can deliver the range, level and quality of services that it deems appropriate and within its statutory responsibilities in a financially sustainable way. Appropriate management and member oversight is required to ensure the improvement plan is delivering changes that are embedded into the organisation." A response was provided by the Council to the January 2025 Audit Committee meeting which included the publication and approval of an improvement action plan which was also subsequently approved at Council.

It was explained that there had been significant progress made within the expected target dates across the plan.

The plan was split into the following areas

- Financial Resilience (including financial strategy)
- Finance Capacity and Transformation (mostly concerned with the finance restructure)
- Governance and compliance including Estate Management and Leadership and Governance Arrangements

Finance resilience - Actions due to be complete by quarter 4 had been completed. Budget timetable for 2025-26 including plans for zero based budget approach had been agreed. Development of budget proposals for 2026-27 on track for October 25 deadline.

Finance Capacity and Transformation – All actions complete or on track apart from recruitment to phase 1 of the finance restructure as awaiting completion of 30 day consultation.



Governance and Compliance – All actions complete or on track for associated deadlines. All assurance boards set up and have met with agreed terms of reference and forward work plans. Highlight reporting from the boards is being reported at ELT and Members Assurance Group.

It was explained that the only outstanding item was in relation to the required RAAC surveys of the Council's estate. All RAAC assessments and surveys had been completed including council owned buildings with leases under 30 years and no further RAAC risk identified. There are also a number of buildings that are on longer land leases of above 30 years which are not Council owned and have therefore been determined not to be the responsibility of the Council in terms of maintenance, insurance and in undertaking RAAC risk assessments. For completeness, work is being undertaken on a sample of longer land leases in April to confirm this position.

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

- Councillor Bernstein referred to the fact that there were no elected members present at the meeting to answer questions in relation to the report and stated that he felt this was disappointing as it should be member led and owned.

Councillor Moss reported that the Leader and Councillor Thorpe would be attending the next meeting of the Audit Committee in July.

The Director of Finance explained that there had been strong progress made and oversight with Members. The Leader and Cabinet Member had confirmed attendance at the July meeting.

It was also reported that the Improvement Plan will be reported to the Overview and Scrutiny Committee.

- Councillor FitzGerald referred to the finance restructure and the upgrade to systems and budgeting and financial management processes and asked what assurances there were that the plan can be delivered whilst the restructure and upgrades were being done.

The Director of Finance confirmed that they were both big agendas. The Cabinet had awarded the Unit4 upgrade to a consultant with a strong track record in the area. The system was not being moved to an entirely new system but to a cloud system. There was strong governance in place and monthly meetings were being held.

The Director of Law and Governance explained that programme boards had been established and the Director of Transformation reviewed the finance board's delivery. The Board reported to the Executive Leadership Team and the Members' Assurance Groups.

- Councillor Rubinstein referred to the RAAC surveys that had been carried out on all Council owned buildings and asked about the leased to 3<sup>rd</sup> party buildings being sampled.

Councillor Rubinstein asked how many buildings were involved, how the sampling was being carried out, what would happen if a building did have RAAC and what would happen if a building failed.

The Director of Law and Governance reported that the long leases over 30 years could refer to land with no buildings and land that had multiple agreements associated with it. The Head of Land and Property was working with 2 surveyors who were supported by 2 legal officers to carry out samples relating to age profiles from each decade. These would be reviewed when they reach 30 – 35%. The Work had started and to date nothing had been found that the Council would be responsible for. The work would continue until assurance had been reached.

The Director of Law and Governance explained that all education properties were RAAC free and that schools leased to other voluntary organisations had reported RAAC free to the DFE.

- Councillor Moss referred to the final action in the plan was dated October 2025 but the plan was due to run until the end of February 2026. He asked what would be included towards the end of the plan.

The Director of Finance explained that this would be linked to the ability to build the budget with the Zero Based Budget reporting to the November Cabinet and the 2026 budget being set in February 2026.

It was also explained that the Unit 4 programme upgrade is scheduled for 18 months up to April 2026. This will also need to be factored into the plan. The associated culture change in using the system as it is meant to be used to ensure that it works how it should for the organisation will need to be established through training and supporting the teams using the systems. Workshops had been rolled out and were being well received.

The Director of Finance stated that future committees can consider what happens to the plan and how it moves forward.

- Councillor FitzGerald stated that the people within the organisation were the ones that were pushing the work through and the Council must ensure that that they are looked after and supported.

The Executive Director (Strategy and Transformation) stated that staff welfare was built into the plan with revised PDR and induction processes and documentation and a review of the employee support programme which was available to all employees.

- Councillor Hayes referred to the ongoing consultation in relation to the finance restructure and asked if the response rate was known.

The Director of Finance explained that the responses would not be reviewed until the consultation had closed but the consultation was concerning 4 staff at a higher level within the team.

- Councillor Moss indicated that the actions which sat under the Director of Law and Governance were all completed and asked if this were the case.

The Director of Law and Governance stated that this was correct but there would still be the task of making sure that they were effective, that the highlight reports were capturing the right information and there was a clear line to Members. Effectiveness was being tracked to ensure that there was compliance across the Council.

The Executive Director (Strategy and Transformation) also confirmed that the Council's External Auditors would be monitoring the plan and progress made.

- Councillor Moss referred to the implementation of recommendations from internal audit reports and asked what was being done to ensure that the recommendations were implemented.

The Director of Law and Governance explained that the assurance boards were tracking and monitoring recommendations and if they weren't being completed, they were asking why not. There were fewer recommendations being reported during the second audits.

- Councillor Moss suggested including a revised date in an additional column if a completion date had passed.

**It was agreed:**

1. That the progress detailed in the action plan update be noted.
2. That the Audit Committee continue to endorse the action plan ensuring Member oversight through Audit and Overview and Scrutiny committees.

**AU.71 INTERNAL AUDIT PROGRESS REPORT**

The Head of Fraud, Audit, Insurance and Risk (FAIR) presented a report outlining the work undertaken by Internal Audit from 1st January to 28th February 2025 which includes the progress to date to complete the 2024/25 audit plan.

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.

Members were given the opportunity to ask questions and make comments and the following points were raised:

- Councillor Moss referred to several items at 2.1.4 of the report being removed from the audit plan and asked whether these would be considered for inclusion in the 2025/2026 audit plan.

The Head of FAIR explained that this was something that would be considered.

- David Webster asked whether the planned audit work in relation to Risk Management and Insurance that had been deferred from the 24/25 plan

and would be reconsidered for inclusion in the 25/26 plan would be carried out and, if so whether an independent reviewer would be employed.

It was explained that the work in relation to these two areas was now being picked up through service plans but if audit work was required in relation to the two areas it would be undertaken by the audit team who would report directly to the Director of Finance.

**It was agreed:**

1. That the Audit Committee note the report and the work undertaken by Internal Audit.
2. That the Audit Committee approve the changes to the 2024/25 Audit Plan.

## **AU.72      AUDIT CHARTER 2025/2026**

The Head of Fraud, Audit, Insurance and Risk presented a report setting out the Council's Internal Audit Charter.

It was explained that the purpose of Bury Council's internal audit Charter is to define internal audit's purpose, authority, and responsibility.

The Charter establishes the internal audit activity's position within the council and reporting lines; authorises access to records, personnel, and physical property relevant to the performance of audit work; and defines the scope of internal audit activities.

The Charter also covers the arrangements for the appointment of the Head of Internal Audit and internal audit staff, and identifies the nature of professionalism, skills and experience required.

The work of internal audit has been governed by the UK Public Sector Internal Audit standards (PSIAS) since 1st April 2013. The Institute for Internal Auditors have released new Global Internal Audit Standards, that become mandatory for the UK public sector from April 1st, 2025.

Internal Audit is currently adapting its governing documents and other processes to achieve conformity to the new Standards.

As a result, the Internal Audit Charter has been updated using the new public sector model published by the Institute.

The Standards are mandatory for all internal auditors working in the UK public sector.

Internal Audit is subject to external quality assessments every 5 years, and the assessors consider the Charter's conformity with the Standards as part of the work. The most recent review was carried out in 2024.

**It was agreed:**

That the internal Audit Charter 2025/2026 be approved.

**AU.73 AUDIT STRATEGY 2025/2026**

The Head of Fraud, Audit, Insurance and Risk presented the Internal Audit Strategy and Quality and Assurance and Improvement Programme.

It was explained that Public Sector Internal Audit Standards (PSIAS) require the formal documenting of a Quality Assurance and Improvement Programme (QAIP). This covers all aspects of the internal audit activity and enables compliance with all aspects of the PSIAS to be evaluated. It is designed to provide assurance that internal audit function performs its work in accordance with the PSIAS. 1.1

The QAIP provides a structure for the assessment of the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. This includes through both internal and external assessments. The requirement for an external assessment of the internal audit activity is at least once in every 5 years. The external assessment has recently been carried out as part of a peer review process, set up by the North West Chief Audit Executives' Group. The assessment team have confirmed that the council's internal audit function partially conforms to the PSIAS and provided some suggestions regarding how the function can further develop and improve.

The work of internal audit has been governed by the UK Public Sector Internal Audit standards (PSIAS) since 1st April 2013. The Institute for Internal Auditors have released new Global Internal Audit Standards, that become mandatory for the UK public sector from April 1st, 2025.

The results of the QAIP must be reported to senior management and the Audit Committee on an annual basis. This is done within internal audit's annual report and opinion.

The release of new Global Internal Audit Standards necessitates updating many of the internal audit functions documents, including the QAIP, in order to maintain conformance with the Standards

The new Standards require the Head of Internal Audit to develop and implement a Strategy for the internal audit function that supports the strategic objectives, the success of the council, and aligns with the expectations of the Audit and Accounts Committee and other key stakeholders. A Strategy document has been produced and was appended to the report.

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

- Ben Thomas referred to the targets set out within the report and asked how realistic the 95% Auditor Utilisation target was.

It was explained that 95% was potentially achievable. The targets need to be achievable but also challenging. It was essential that to meet the targets realistic timeframes were set

## **AU.74 ANNUAL AUDIT PLAN 2025/2026**

The Head of Fraud, Audit, Insurance and Risk presented the Internal Audit Annual Audit Plan 2025/2026.

The report set out the context of the Internal Audit Service and explained the approach to the compilation of the 2025/26 internal audit annual plan.

The plan was appended to the report.

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

- Councillor FitzGerald referred to the resources available to the audit team to carry out the work included within the plan and asked whether cost benefit analysis work was undertaken to show how the work that the outcome of the audit would cover itself similar to invest to save.

The Director of Finance stated that this was something that would be reviewed as part of the zero based budget work.

- Councillor Moss referred to the inclusion of Persona and five schools within the plan and asked why this was when they were not part of the organisation.

The Head of Fraud, Audit, Insurance and Fair explained that Persona had to be audited as part of the agreement with the Council and the schools that were included in the plan were council controlled schools so therefore part of the Audit process.

### **It was agreed:**

1. That the Audit Committee note the contents of the report
2. That the Audit Committee approve the plan based on current resources as set out in the report.
3. That the resources set out within the plan would be reviewed and a report brought back to the October 2025 meeting of the Audit Committee.

## **AU.75 COUNTER FRAUD PLAN 2025/2026**

The Head of Fraud, Audit, Insurance and Risk presented the Annual Fraud Plan 2025/2026.

It was explained that the Fraud Investigators are members of the FAIR (Fraud, Audit, Insurance and Risk) Team. The team comprises two Senior fraud Investigators, one of which is part-time, and one Fraud Investigator.

The plan has been compiled which sets out the work the team aims to deliver throughout 2025/26. The plan is very much based on the teams' experience and knowledge of work undertaken in previous years. It is the intention that the plan will be under continuous review and will be continually developed. The team have contacts within Councils both within the boundaries of GMCA and in other regions in the country.

**It was agreed:**

That the contents of the report be noted

**AU.76 EXTERNAL AUDIT PROGRESS REPORT**

A report setting out the progress made to date by the External Auditors, Forvis Mazars was presented to the Audit Committee.

The Business Partner informed that Committee of two publications that were highlighted in the report that it was felt would be beneficial to them.

**It was agreed:**

That the contents of the report be noted

**AU.77 EXTERNAL AUDITORS ANNUAL REPORT**

The External Auditor's Annual Report was presented to the Committee.

It was explained that the report was for information and confirmed that the External Auditors, Forvis Mazars, had completed the work in relation to the 2023/2024 financial statements.

**It was agreed:**

That the report be noted

**AU.78 EXCLUSION OF PRESS AND PUBLIC**

**It was agreed:**

That the press and public be excluded from the meeting under Section 100 (A)(4), Schedule 12(A) of the Local Government Act 1972, for the reason that the following business involves the disclosure of exempt information as detailed against the item

**AU.79 AUDIT INVESTIGATIONS REPORT**

A confidential report was submitted for information only on Special Investigations carried out by the Internal Audit Team.

**It was agreed:**

That the report and information received at the meeting be noted

**AU.80 INTERNAL AUDIT REPORTS - FOLLOW UPS**

A confidential report was submitted for information and the Committee received a verbal update from the Director of Operations in relation to work that had been undertaken following a follow up report.

**It was agreed:**

That the report and information received at the meeting be noted

**AU.81 COUNTER FRAUD UPDATE**

The Committee received a report providing an update on the Annual Counter Fraud Plan 2024/25 and the work undertaken by the Counter Fraud Team during the period 14 December 2024 to 28 February 2025.

**It was agreed:**

That the report and information received at the meeting be noted.

**COUNCILLOR E MOSS**  
**Chair**

**(Note: The meeting started at 7.00 pm and ended at 10.00 pm)**





<b>Classification:</b> Open	<b>Decision Type:</b> Non-Key
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<b>Report to:</b>	Audit Committee	<b>Date:</b> 23 July 2025
<b>Subject:</b>	Progress Update from the Council to the Statutory Recommendation received from the External Auditor under schedule 7 of the Local Audit and Accountability Act 2014	
<b>Report of</b>	Director of Finance S151 Officer	

### Summary

1. The Council's external Auditors, Forvis Mazars, presented the outcome of their audit work in relation to their judgements in the area of the Council's Value for Money arrangements for the 2021/22 and 2022/23 financial years to the December Audit Committee meeting. They identified three significant weaknesses in the Council's arrangements. These weaknesses are across all three reporting criteria that they are required to consider under the Code of Audit Practise, namely; financial sustainability, governance and for improving the economy, efficiency and effectiveness of services.
2. Forvis Mazars determined that use of their statutory reporting powers under the Local Audit Accountability Act 2014 was necessary and issued a statutory recommendation formally to the Chief Executive on 12 December 2024. They recommended that

"The Council should, as a matter of urgency, develop a comprehensive Council wide improvement plan to reflect the transformation and cultural change needed across all departments, to ensure the Council can deliver the range, level and quality of services that it deems appropriate and within its statutory responsibilities in a financially sustainable way. Appropriate management and member oversight is required to ensure the improvement plan is delivering changes that are embedded into the organisation."

A response was provided by the Council to the January 2025 Audit Committee meeting which included the publication and approval of an improvement action plan which was also subsequently approved at Council.

This report provides the second update on activity and delivery against this action plan with the previous update being brought in April 2025 and highlights the improvement work that has been carried out by the Assurance Boards. In addition to the work carried out by the Boards there have been Council wide briefings, Senior Management sessions and Strategic Leadership Team engagement with the improvement work and compliance sprints.

### Recommendation(s)

3. The Audit Committee is asked to:
  - a. Note the progress detailed in the action plan update.
  - b. Continue to endorse the action plan ensuring Member oversight through Audit and Overview and Scrutiny committees.

### Reasons for recommendation(s)

This report provides assurance of delivery and progress so far against the improvement plan that was developed in response to the statutory recommendation.

### Alternative options considered and rejected

4. n/a

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### Report Author and Contact Details:

*Name: Neil Kissock*  
*Position: Director of Finance (S151 Officer)*  
*Department: Corporate Core Department*  
*E-mail: n.kissock@bury.gov.uk*

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### Background

5. This report provides a second progress update on the Improvement Action Plan which was agreed by Audit Committee in January 2025. The last update was provided to the Audit Committee in April.

### Improvement Action Plan Progress

6. There continues to be progress made within expected target date across some of the plan. The plan in Appendix 1 was split into the following areas:
  - a. **Financial Resilience (including financial strategy):** All actions are on track or complete. The Finance Board has been running monthly and is overseeing the key milestones around the zero based budget workstream. Development of the 26/27 budget proposals are on track, alongside review of the progress of the agreed budget savings, and 2025/26 budget delivery overall, which is a standing item at the Finance Board and progress will be reported to Cabinet as part of the quarterly financial performance reporting cycle with the Q1 update being reported to September Cabinet.
  - b. **Finance Capacity and Transformation (actions in relation to the finance restructure):** All actions are complete or on track apart from recruitment to phase 1 as per the last report. There was a slight delay

following the conclusion of the consultation process whilst a recruitment partner was procured to support the first round of recruitment and increase the likelihood of a successful recruitment process in a very challenging labour market.

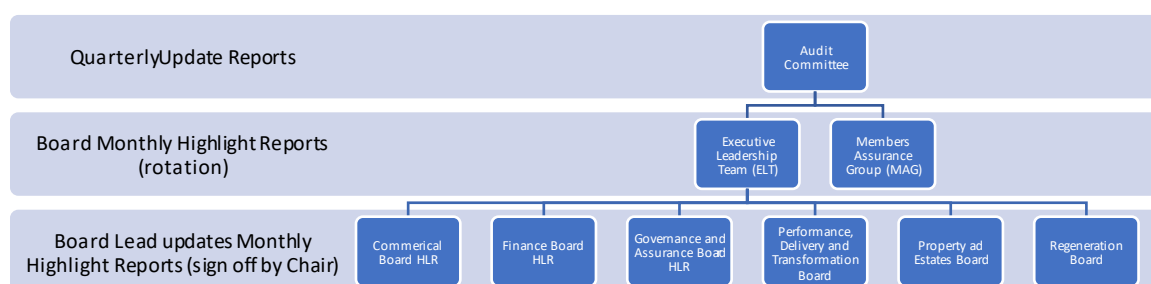
- c. **Governance and Compliance including Estate Management and Leadership and Governance Arrangements:** The work to review long leases has now been completed. An exercise was undertaken by Land and Property in which they reviewed a sample of leases, they considered the demise, term, commencement date, rent reviews, repairing obligations (including an extract of the clause) and insurance obligations. The work carried out by Land and Property was validated by the legal team. No issues were found from this assurance work. All of the new six assurance boards have been set up and meet on a monthly basis, each assurance Board provides a highlight report of their activity which is reviewed by the Executive Leadership Team. The establishment of the Corporate Landlord team is overdue however staff consultation has commenced and will end on 18<sup>th</sup> August 2025.

## Progress of the Six Assurance Boards

The assurance framework which supports these boards has been developed further and finalised with a detailed Improvement Work Plan accompanied by quarterly milestones which are tracked through each Board's Highlight Report.

The assurance framework details roles and responsibilities of Chairs, Deputies and Leads of the Board. It determines attendance and sets out meeting expectations. Improvement activity is on going across all Boards below sets out the improvement activity being undertaken by each Board.

The current reporting of delivery both of assurance activity and improvement activity is reported upwards as below:



The Member Assurance Group meets on a weekly basis, assurance reports are provided to the Leader and Deputy Leader. Items considered at the Group include finance improvement and strategy, transformation – unit 4, internal audit actions, estates assurance and review of progress to deliver a corporate landlord function and project safety valve.

## Commercial Board

The improvement and assurance activity allocated to the Commercial Board in the Improvement Work Plan over the next year is as follows:

Improvement Activity	Assurance Activity
<ul style="list-style-type: none"> <li>• Undertake effective due diligence reviews across the commercial portfolio.</li> <li>• Development and delivery of a Commercialisation strategy to guide future decision-making</li> <li>• Develop sales, fees and charges schedule</li> <li>• Review Traded service performance (schools and non schools)</li> <li>• Council company/JV review</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring of Joint Ventures and review of governance</li> <li>• Ensure effective arrangements are in place for the cost recovery of all traded services.</li> <li>• Managing commercial viability</li> <li>• Monitoring Persona</li> <li>• Monitoring VCFA third sector</li> <li>• Monitoring Bury BID</li> <li>• Monitoring of new businesses</li> </ul>

The Commercial Board has identified all of the commercial arrangements and companies in place across the council, many of which have been in place for some time, and is overseeing review work to fully understand the original business cases and current governance, including the risks and perceived benefits, and make recommendations for any changes. Given resource pressures and the complexity of some of these arrangements the Board has agreed to commission some external support to accelerate this activity.

The Commercial Board have also considered and signed-off financial business cases developed as part of the wider governance arrangements in particular through the Property and Estates, and Regeneration, Boards. A key area of focus informed by the outturn position for 2024/25 has been the ongoing review of traded and income generating services with particular risks identified through existing and forecast future academisation of schools. The work undertaken to date will also help inform the ZBB reviews with regard to the scope available for additional income generation alongside the financial risks presented by any potential future loss of income.

Work has also progressed on the development of an over-arching commercial strategy for the council as the basis for future financial appraisals and decision-making and will align with a refreshed capital strategy

## Finance Board

The improvement and assurance activity allocated to the Finance Board in the Improvement Work Plan over the next year is as follows:

Improvement Activity	Assurance Activity
<ul style="list-style-type: none"> <li>• ZBB Programme</li> <li>• Finance Service Improvement including Finance Restructure</li> </ul>	<ul style="list-style-type: none"> <li>• 2025/26 Budget Monitoring and review of savings delivery</li> <li>• Savings strategy/delivery</li> </ul>

<ul style="list-style-type: none"> <li>• Procurement and Contract Management Operating Model</li> <li>• 2026/27 Budget setting</li> </ul>	<ul style="list-style-type: none"> <li>• PSV submissions and delivery assurance</li> <li>• Capital Programme and Strategy Review</li> </ul>
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The Finance Board has approved the design and timetable for the zero based budget (ZBB) work with initial proposals planned to be considered alongside an updated medium term financial strategy. The government has committed to a 3 year financial settlement supported by a revised funding formula with the current proposals out to consultation currently and the council response to that consultation is being developed in advance of the submission date of 15th August 2025. There is an indication that the draft financial settlement may be provided earlier in the year than usual (November) and so the budget timetable will be reviewed to ensure that Cabinet will receive the updated MTFS including draft financial settlement at the first available opportunity.

The ZBB work will build on the work undertaken in quarter one to achieve budget holder sign-off of the detailed make-up of their 2025/26 budgets and review of the 2024/25 outturn position with both additional over and underspends being identified that had not been fully factored into the current MTFS. The ZBB work will be completed in quarter 2 and will also include a fundamental review of the capital programme with recommendations for changes to the approved programme (particularly the profiling of delivery) to come back to Cabinet for decision. The budget review work has also informed the design of the new chart of accounts which is critical to the success of the Unit 4 transformation programme which will address the legacy issues caused by the current chart of accounts which has made budgeting and financial reporting more challenging.

As discussed at previous Committee meetings, there are 2 key priorities in ZBB and Unit 4 implementation which are resource intensive and plans have been developed which mitigate the competing impact on workload where possible, and some additional internal resources have been brought in to support the Unit 4 programme. An area of historical concern raised previously by the external auditors has been the quality of the statement of accounts and related working papers. Additional interim resources have also been brought in to support this area in advance of the recruitment to the new structure and the work has progressed well however, unfortunately, the draft 2024/25 accounts have not been published by the end of June due to delays in receiving updated asset valuations which have been commissioned externally and which will reflect the updated and reconciled single asset register. On receipt of the valuations later this month the financial statements will be updated and published on the council's website.

Delivery highlights so far include:

- All budget holder sign off meetings completed – the first phase of the Zero Based budget programme with Phase 2 workshops on track for Autumn.
- 26/27 Budget Timetable completed and signed off.

- Project Safety Valve replan completed, signed off and submitted to Department for Education.
- Procurement pipeline for the next 18 months published and new gateway process for procurement sign off agreed.
- Draft outline business case for a new operating model for Procurement and Contract Management produced.
- Monthly monitoring of current year financial forecast.
- Monthly Unit 4 transformation updates from Finance Transformation Board updated at Finance Board and Performance, Delivery and Transformation Board.

## **Governance and Assurance Board**

The Board has been responsible for the oversight of all outstanding audit actions. Monthly reports are received by the Board from the Internal Audit, there is now a clear escalation process if audit actions are not closed within the timescales agreed to. A highlight report is received by the Executive Leadership Team, this area has direct Member oversight by the Members Assurance Group, this Group consisting of the Leader and Deputy Leader receives updates on a regular basis with details of outstanding actions and progress made against these actions.

The Council following the implementation of the improvement plan reviewed each outstanding action and where appropriate reset timescales for compliance. The timescales are tracked. The majority of outstanding actions have now been closed, there are 17 actions remaining, they relate to implementation/upgrade of ICT systems to achieve compliance and have a date for completion. In addition, all new audit recommendations are tracked through first and second follow ups by internal audit, any actions not completed are reported and escalated as set out above.

We have seen an improvement in the completion of all audit recommendations within the timescales set out in reports. Training sessions have been held with Strategic Leaders and Wider Leadership Team to drive compliance. The Head of FAIR now attends Departmental Management Team meetings on a quarterly basis. Training is being rolled out to all services due to participate in an audit to ensure that staff are clear about the audit process and reinforce the importance of compliance.

The improvement and assurance activity allocated to the Governance and Assurance Board in the Improvement Work Plan over the next year is as follows:

Improvement Activity	Assurance Activity
<ul style="list-style-type: none"> <li>• Produce the Annual Governance Statement</li> <li>• Compliance Sprint – PDRs, Audit Recommendations, Mandatory Training, H&amp;S Risk management</li> <li>• Risk Register Update</li> <li>• Improvement Plan Delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance KPIs, PDRs, FOIs, SARS, Ombudsman, complaints, IG, breaches, ROPA, whistleblowing</li> <li>• Improvement Plan Monitoring and QA</li> <li>• Internal Audit Recommendations</li> <li>• Audit annual work plan</li> <li>• Monitoring of HR Casework</li> </ul>

	<ul style="list-style-type: none"> <li>• Decision Tracking: Op Decs, Council Motions, Delegated Decisions, Urgent Decisions, Constitutional changes</li> <li>• Risk Management including Health &amp; Safety – accident and incident reporting</li> </ul>
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Delivery highlights so far include:

- Rigorous review and tracking of all Audit recommendations – All outstanding pre January audit actions have been closed or have a revised date for completion, this is monitored monthly.
- Audit follow-ups actions monitored, early reporting to the Monitoring Officer and report to Governance and Assurance Board if recommendations are not actioned. Escalation reports to Executive Leadership Team. Audit recommendations are considered by the Members Assurance Group every four weeks,
- Compliance sprint carried out, PDR compliance increased to 96%
- GDPR training compliance increased to 94%
- Production of a set of monthly data tracking the following compliance areas which is soon to be developed into a Power BI Compliance Dashboard:
  - Information Governance
  - FOIs
  - SARs
  - EIRs
  - Health and safety compliance
  - Complaints
  - Member casework and MP enquiries
  - HR casework
  - PDRs
  - Mandatory training for employees
- Sign off of both AI policy and DDAT security policy
- Review of the Record of Processing Activity with training for managers provided at Senior Manager Forum
- Guidance on production of AGS completed ready for publication and sign off in quarter 2.
- Legal Risk Register review completed
- Review of Health and Safety audit completed
- New Incident reporting system launched in April with reports analysed through the Board.
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### **Performance, Delivery and Transformation Board**

The improvement and assurance activity allocated to the Performance, Delivery and Transformation Board in the Improvement Work Plan over the next year is as follows:

Improvement Activity	Assurance Activity
<ul style="list-style-type: none"> <li>Transformation Programme (inc. Unit 4)</li> <li>Digital and AI Strategy</li> <li><i>Implementation of IDOX</i></li> <li><i>Implementation of Information@Work</i></li> <li>Workforce and Inclusion Strategy</li> <li>Programme Management Maturity assessment</li> <li>Production of Corporate / Service Plans</li> </ul>	<ul style="list-style-type: none"> <li>Workforce Dashboard Monitoring</li> <li>Review of New Business Cases</li> <li>Monitoring and QA of Corporate / Service Plans</li> <li>Performance Management</li> <li>Restructure Oversight</li> <li>ER Oversight</li> <li>Regulator Interface</li> </ul>

Delivery highlights so far include:

- Production and publication of the 25/26 Corporate Plan
- Monitoring of year end 24/25 Corporate Plan and Quarter 1 25/26 delivery
- Key performance indicators for 25/26 set in collaboration with key stakeholders
- Service plan production monitoring including quality check and golden thread establishment. Training provided to managers through senior managers forum on production of plans.
- Draft digital and AI strategy presented in Q1
- Unit 4 milestones shared and monthly updates at Board
- Approval of Go Live for Information@Work and following implementation plan
- Go Live for Idox implementation planned for Q2
- Workshops completed with organisation wide Programme Managers resulting in self assessment tool being completed for presentation in Q3.

### Property and Estates Board

The improvement and assurance activity allocated to the Property and Estates Board in the Improvement Work Plan over the next year is as follows:

Improvement Activity	Assurance Activity
<ul style="list-style-type: none"> <li>Oversight of Facilities Management to move to a Corporate Landlord</li> <li>FAP (Administrative Estates, Smaller Sites Disposal, Commercial Estates Transformation, ALDP, Housing Estates Programme)</li> <li>Town Hall</li> <li>Land and Property Team (RAAC, Concerto Development)</li> <li>Children's Homes</li> <li>Family Hubs</li> <li>Whittaker Street PRU</li> <li>Wellness Centre</li> <li>Estates Management Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Property Protocols</li> <li>Corporate Estates Compliance (Programme)</li> <li>Single Assets Register transition into Concerto</li> <li>RAAC Assurance</li> <li>Building Insurance</li> <li>Community Asset Transfer policy and plan</li> </ul>

Delivery highlights so far include:



- Building Compliance:
  - All electrical testing completed by the end of June with identified remedials corrected during the process
  - Train the Trainer Fire Marshall course procured to be rolled out across all buildings
- Facilities Management Restructure
  - Section 188 meeting completed in June with restructure and consultation to follow
  - New post job descriptions evaluated and funding strategy discussion diarised
- Education Capital
  - Whittaker St PRU construction to complete in August 2025
  - Combined PRU – site investigation work to be completed by June 2025
  - STAR Academy – enabling works in place for operations to be facilitated in September 2025
- Asset Management
  - Cabinet report in July for Town Hall refurbishment project
  - Concerto system walk through with staff completed
  - Recruitment underway for vacant surveyor posts
- 100% of Facilities Management staff have completed mandatory Health and Safety training.

## Regeneration Board

The improvement and assurance activity allocated to the Regeneration Board in the Improvement Work Plan over the next year is as follows:

Improvement Activity	Assurance Activity
<ul style="list-style-type: none"> <li>• Construction of Radcliffe Civic Hub, Radcliffe Enterprise Centre and Market Chambers</li> <li>• Progress Bury town centre Masterplan including Flexihall build phase and the appointment of an operator; the Millgate Strategic Regeneration Framework; Chamberhall Phase 2 and confirm a strategy for the indoor market</li> <li>• Deliver Prestwich Phase 1</li> <li>• Develop &amp; deliver Township development plans for Whitefield &amp; Ramsbottom</li> <li>• Progress the Northern Gateway scheme: establish MDC; Western Access OBC &amp; first-phase planning</li> <li>• Deliver the Transport Interchange improvements, Highway Improvement Strategy and active travel plan</li> <li>• Develop Annual Sustainability Plan and progress climate change strategy including town centre heat network the EV Charging point network</li> <li>• Agree a Local Plan in context of Places for Everyone</li> </ul>	<ul style="list-style-type: none"> <li>• Development of Leisure Strategy</li> <li>• Development of a new Housing Strategy</li> <li>• Management of Town Hall Programme</li> <li>• Maintained Schools</li> <li>• Agile Working Policy monitoring</li> </ul>

Delivery highlights so far include:

- Bury Flexi Hall and Market:
  - Delivery on track and slightly ahead of plan, piling work has begun and roof coverings and symphonic drainage complete to canopy 2
- Radcliffe Hub and Market Chambers:
  - Steel frame for link building and last bay of the Hub structure is now complete
  - Roof and floor details to link building installed
  - Pre-cast stairs and lift shafts installed
  - Significant progress made to external envelopment
  - Pool waterproof testing complete
- Prestwich Village Regeneration
  - All demolition activity completed
  - Funding strategy progressed
  - Revenue/capital options for Public Sector Hub completed
  - Prestwich Carnival sponsorship secured from Muse and Hambleton Steel
- Northern Gateway
  - Design partner now appointed
  - Pre-construction programme produced for review by the Council and its External Professional Team
  - Transport modelling and local simulation commenced

## Going Forward

It is recognised that the work to deliver the improvement plan will continue beyond the setting of the Council budget in April 2026. The improvement work of the Boards will continue to drive a culture of compliance across the Council.

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## Links with the Corporate Priorities:

*The production and publication of the Statement of Accounts and value for money opinion provides valuable information to the residents of the Council and to its suppliers. Responding and providing assurance to our external auditors reaffirms that a strong financially sustainable Council is essential to the delivery of the Let's do it 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. 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:**

*n/a no decision required*

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**Assessment and Mitigation of Risk:**

Risk / opportunity	Mitigation
Reputational risk	This update response to our improvement plan provides assurance as to the delivery of the improvements required

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**Legal Implications:**

*To be completed by the Council's Monitoring Officer.*

7. This is an update on the progress of the improvement plan pursuant to auditors recommendations. Audit Committee agreed the actions would be reviewed by Members with Audit and Overview and Scrutiny Committee receiving regular reports on the Council's progress

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**Financial Implications:**

*To be completed by the Council's Section 151 Officer.*

8. The annual production and audit of the statement of accounts and review of value for money arrangements are an essential part of any organisation and represent the financial position of the business for that particular financial year. For public sector organisations they are statutory and give the public and central government assurance that taxpayers money is being expended in an economic and efficient way. Approval of the improvement plan and the ongoing review of its delivery will provide assurance that the issues identified by the external auditors are addressed.

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**Appendices:**

Appendix 1: Improvement Plan Activity Tracker

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**Background papers:**

*Please list any background documents to this report and include a hyperlink where possible.*

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

Term	Meaning
MAG	Members Assurance Group
ELT	Executive Leadership Team
RAAC	Reinforced autoclaved aerated concrete

## Appendix 1: Improvement Plan Activity Tracker

Improvement Theme	Improvement Action	Council Response	Timescale	Officer	Member	RAG	Comments
Financial Resilience	Financial Strategy	The S151 to chair a monthly strategic finance board, made up of senior officers from all of the service directorates, with responsibility for monitoring delivery of the in-year revenue budget and capital delivery programme and production of the subsequent years' revenue budget, capital programme and medium term financial strategy	Feb-25	Director of Finance	Cllr Thorpe	<b>COMPLETE</b>	Board has been running on a monthly basis
Financial Resilience	Financial Strategy	Detailed 2026/27 budget timetable agreed setting out the approach, workstreams and timelines supporting production of proposals to address the structural funding gap. This will build on the agreed strategy and involve a zero based budget review of all council services and identification of proposals that will	Mar-25	Director of Finance	Cllr Thorpe	<b>COMPLETE</b>	Timetable shared with Finance Board and teams.

		enable a balanced budget to be set without recourse to reserves over the current medium term financial strategy the timetable and approach will include the identification of additional capacity requirements to support the budget work and be funded from the ongoing capital receipt flexibilities in place to support council and service transformation						
Financial Resilience	Financial Strategy	Development of budget proposals, involving the wider workforce, on a service basis through consideration of: The key cost drivers affecting their services, Current service performance levels including a productivity assessment and how they compare to benchmark councils and 'best in class', Current service standards being operated to and the scope for changes in those standards including any elements	Oct-25	Director of Finance	Cllr Thorpe	ON TRACK	As per the current timetable includes the reporting of the revised MTFS position and initial budget proposals to November Cabinet. This is being kept under review as there is an indication that the provisional multi-year financial settlement will be received earlier than usual in November and therefore actual rather than	

							of the service that could be stopped or reduced, Consideration of different models of service delivery, Opportunities from implementing different ways of working, including self-service if appropriate, The impact of their proposals on other service areas i.e. either in requiring their input and support in delivering the change or in potentially increasing costs elsewhere, Opportunities for additional income generation, The impact of their proposals on the customer		forecast funding could be reported to Cabinet in December. The budget proposals will then be consulted on in advance of consideration at Overview and Scrutiny and approval at Cabinet and Council in February
Finance Capacity and Transformation	Finance Restructure	Consult on phase 1 of new Finance Structure	Jan-25	Director of Finance	Cllr Thorpe	COMPLETE		Consultation completed with no change to the proposed structure and an agreement for the recruitment to be undertaken in two phases due to the impact on individuals in scope	

Finance Capacity and Transformation	Finance Restructure	Begin Recruitment to phase 1 of new Finance Structure	Mar-25	Director of Finance	Cllr Thorpe	<b>BEHIND</b>	Recruitment partners procured and microsite in development. Recruitment to start in July
Finance Capacity and Transformation	Finance Restructure	Develop phase 2 of new Finance Structure for consultation informed by the Unit 4 upgrade transformation programme	Sep-25	Director of Finance	Cllr Thorpe	<b>ON TRACK</b>	
Finance Capacity and Transformation	Unit 4 ERP System Upgrade	Agree detailed programme plan, capacity requirements and governance arrangements to enable delivery of the upgraded system and planned benefits in April 2026	Feb-25	Director of Finance	Cllr Thorpe	<b>COMPLETE</b>	Unit 4 Transformation Board in place and milestone documents created. The critical path has identified the key deadlines that have to be delivered to enable go live in April. The key deadline in quarter 1 of identifying the new Chart of Accounts to enable build of the new system to begin has been achieved and the programme remains on track



							with regard to both timeline and cost.
Governance and Compliance	Estate Management	Completion of the remaining RAAC's surveys and any subsequent actions undertaken as may be required	Feb-25	Executive Director Place	Cllr Quinn	<b>COMPLETE</b>	Officers have risk assessed a sample of Council and Commercially Let buildings with leases <30 years. No RAAC risk has been identified.
Governance and Compliance	Estate Management	Completion of single reconciled estate asset register	Apr-25	Executive Director Place	Cllr Quinn	<b>COMPLETE</b>	Now Complete.

Governance and Compliance	Estate Management	Consolidation of the council's property function within the new Place Directorate with responsibility for: Strategic Asset Management including delivery of the planned reduction in the size of the estate, Identification and delivery of planned and cyclical maintenance, Property compliance and safety, Responsive repairs	Apr-25	Executive Director Place	Cllr Quinn	<b>OVERDUE</b>	<p>This is being supervised via the Property &amp; Estates Board.</p> <p>Section 188 process for required FM restructure was agreed on the 30th of June 2025. This will be implemented following a 30 day consultation.</p> <p>Town Hall refurbishment, compliance, FAP activities and wider estates planning is underway.</p> <p>Programme is under slight delay to requirement to devote resources to compliance activities in Public buildings.</p>
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Governance and Compliance	Leadership and Governance Arrangements	Establishment of six new assurance boards with agreed terms of reference and 12 month forward plan, to ensure that there is a culture of compliance across the Council, the Boards will provide management oversight across Council activity, the work of the Boards will align to the corporate plan	Feb-25	Director of Law and Governance	Cllr Rafiq	COMPLETE	
Governance and Compliance	Leadership and Governance Arrangements	Governance and Assurance Board will have responsibility for overseeing implementation of all outstanding recommendations from internal audit reports, which is currently the role of the corporate governance group.	Feb-25	Director of Law and Governance	Leader and Cabinet Members via MAG	COMPLETE	
Governance and Compliance	Leadership and Governance Arrangements	Terms of reference (TOR) prepared for all Boards/Member Assurance group and revised TOR for ELT	Feb-25	Director of Law and Governance	Leader and Cabinet Members via MAG	COMPLETE	
Governance and Compliance	Leadership and Governance Arrangements	The assurance reports will be formally received by a Members Assurance Group made up of Cabinet members.	Mar-25	Director of Law and Governance	Leader and Cabinet Members via MAG	COMPLETE	

Governance and Compliance	Leadership and Governance Arrangements	Revised PDR and Induction processes and documentation to reflect updated compliance, control and management requirements and related management development needs.	Mar-25	Director of People and Inclusion	Cllr Rafiq	<b>COMPLETE</b>	
Governance and Compliance	Leadership and Governance Arrangements	Officer declarations of interest will now be held by the Director of Law & Governance, this will bring Officer declarations in line with the system currently in place for Members. This will be in addition to the existing conflict/declarations of gifts and hospitality reporting procedures	Dec-24	Director of Law and Governance	Cllr Rafiq	<b>COMPLETE</b>	



# Audit Progress Report

## Bury Council

July 2024

Audit Committee  
Town Hall  
Knowsley Street  
Bury  
BL9 0SW 7DY

9 July 2025

Dear Committee Members,

### **Audit progress report – Year ended 31 March 2025**

The purpose of this document is to provide you with updates on progress being made towards the 2024/25 audit and any other relevant matters.

Section 1 of the report provides an update of the audit position and highlights the key items we are currently considering as part of our risk assessment.

Section 2 provides a summary of reports issued by a range of stakeholders we consider may be helpful to the Audit Committee as it fulfils its responsibilities. The reports we reference might also be of interest to other Members of the Council.

Providing a high-quality service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations. If you have any concerns or comments about this report or our audit approach, please feel free to contact me.

This report was prepared solely for the use and benefit of the Audit Committee and to the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents,

conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Yours faithfully,

*Karen Murray*

**Karen Murray**  
Forvis Mazars LLP



# 01

Audit update

# 01 Audit update

## Audit for the year ending 31 March 2024

We presented our Auditor's Annual Report to the Audit Committee meeting in April. This confirmed we had issued our audit report on the financial statements and provided our commentary on the Council's arrangements for Value for Money.

## Whole of government accounts 2023/24

Our final remaining responsibility in respect of the 2023/24 audit relates to the Council's whole of government accounts (WGA) return. We submitted the NAO's assurance statement in February 2025 as required by their Group Audit Instructions. However, the NAO's instructions state they may request further work from auditors on local authorities WGA returns as they complete their work. Until the NAO confirms no further work is required, we are not able to confirm all of our audit work is complete. Consequently, we have not yet issued our Audit Certificate concluding the 2023/24 audit. As soon as the NAO confirm no further work is required, or we complete any work they require, we will issue the certificate.

## Audit for the year ending 31 March 2025

### Financial statements

As the accounts for the year ended 31 March 2022, 2023 and 2024 included disclaimed audit opinions, the audit for the year ended 31 March 2025 is impacted by the need to rebuild assurance. On 9 April 2025 the Government issued its response to a consultation on local audit reform. Included in this is a commitment from Government to work with system partners to ensure additional guidance, advice and practical support is available to support a proportionate approach to the rebuilding assurance. We received this guidance in June 2025.

The NAO has prepared Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 with the endorsement of the Financial Reporting Council (FRC). The NAO issued its suite of LARRIGs to support auditors. To meet the backstop requirements, we issued a disclaimed audit opinion on the Council's 2023/24 statement of accounts. As part of the audit of the 2024/25 audit, we will consider LARRIG 06 in determining how and when we rebuild assurance.

The LARRIG makes clear the work required to rebuild assurance following a disclaimer of opinion(s) may be significant and will vary between authorities. In part, this is because rebuilding assurance on opening balances is complicated by the different reserves and balances held, their link to income and expenditure and the application of statutory overrides.

The LARRIG emphasises the timely delivery of audited financial statements is a collective enterprise where both accounts preparers and auditors have important responsibilities. Effective governance and internal controls, allied to accurate and timely financial reporting, are essential conditions to support a return to the timely delivery of unqualified audited financial statements.

### Risk assessment

The guidance requires auditors to consider the facts and circumstances impacting the Council's statement of accounts and the different classes of transactions, account balances and disclosures, and to apply professional judgement in determining the appropriate level of audit work to recover assurance, taking account of the reasons why previous financial years were disclaimed. Disclaimed periods of more than one year present a greater risk of material misstatement.



# 01 Audit update

The guidance places an emphasis on the risk assessment procedures auditors should undertake. This means we will conduct a comprehensive risk assessment covering:

- the Council's system of internal control for the periods subject to disclaimed audit opinions
- the areas of the accounts where there is a risk of material misstatement and the associated planned responses and
- undertake special considerations for specified matters:
  - a. property, plant and equipment,
  - b. responses to identified risks of fraudulent financial reporting in previous reporting periods subject to disclaimers of opinion, and
  - c. pensions related balances.

The assurance approach for certain classes of account balances, transactions and disclosures usually relies on assurance from the prior year audit for the opening balances, and audit procedures over in-year transactions to obtain sufficient appropriate audit evidence that year end balances are true and fair and in accordance with the applicable financial reporting framework. This approach typically applies to reserves balances. However, this approach is not always practicable where a prior year audit has received a disclaimer of opinion.

This means that where the preceding financial year has been subject to a disclaimer of opinion, it is highly probable regaining assurances over opening balances on reserves will be a significant matter. Additional risk assessment procedures will be necessary to identify the likelihood and magnitude of risks of material misstatements in reserves balances. The risk assessment will enable the auditor to design and perform responses to identified risks. This will apply to:

- usable reserves, with specific procedures for the General Fund and HRA
- unusable reserves and
- property, plant and equipment.

## Responses to the assessed risk of material misstatement

ISA (UK) 330 requires the auditor to design and perform further audit procedures based on, and responsive to, the assessed risks of material misstatement at either the financial statement level, or the assertion level. The ISA requires the auditor to obtain more persuasive evidence as the assessment of risk increases.

In rebuilding assurance, the guidance requires the auditor to design and perform procedures proportionate to the risks of material misstatement attached to specific assertions in relation to opening reserve balances.

For individual reserve balances the auditor identifies through risk assessment procedures, there are range of potential responses. These range from determining individual reserve balances as both qualitatively and quantitatively immaterial and so performing no further work, to undertaking some or all of a range of detailed tests tailored to the identified risks.

# 01 Audit update

## What is the status of our consideration of the NAO's guidance?

We will begin our comprehensive risk assessment procedures required to identify and assess the risk of material misstatement in November. We will then need to design the associated planned responses. We anticipate we will have completed the risk assessment procedures by the end of December and will discuss the details with the Director of Finance and his team.

## When do we expect to fully rebuild assurance?

LARRIG 05 provided more general guidance on rebuilding assurance following a disclaimed audit opinion. It makes clear that it may not be possible, despite reasonable endeavours, for auditors to perform all the necessary work to issue an opinion based on sufficient appropriate audit evidence for the current year of audit.

Our current expectation is the Council's audit opinion for 31 March 2025 will be a disclaimed opinion. This is because of the extent of work we expect to be required to rebuild assurance given the previous years disclaimed opinions.

## The impact on the audit fee?

PSAA have yet to determine the impact of the auditor's procedures for rebuilding assurance on the scale audit fee for 2024/25. This will be dealt with through PSAA's scale fee variation approval process. We will be transparent in communicating with the Director of Finance the impact on your fee in 2024/25 and in subsequent years so there is clarity on the additional audit costs arising from our work on rebuilding assurance.

You can access the NAO's guidance here [LARRIG 06](#)

## Value for Money

Since the last Audit Committee meeting we have met with key officers to discuss the Council's progress in addressing the statutory recommendation we made in audit report issued in December 2024. We have continued to receive updates on progress with the Council's improvement plan and we will continue to liaise over the coming months.

The Code of Audit Practice was updated in 2024 and revises the timetable for completing our work on the Council's value for money arrangements. From 2024-25, we are required to issue our draft Auditor's Annual Report by 30 November each year. This will conclude on whether there are any significant weaknesses in the Council's arrangements based on work completed to date. Should we identify any further significant weaknesses between issuing our draft Auditor's Annual Report and concluding our audit of the Council's financial statements, we are able to reissue our Auditor's Annual Report to report on any additional weaknesses identified.

# 02

## National Publications



# National publications

	Publication/update	Key points
Chartered Institute of Public Finance and Accountancy ('CIPFA')		
1	Audit Committee Update issue 41 – the local audit backstop	A guide for audit committee members at English local authorities to explain the local audit backstop arrangements. It covers key terms, dates, roles and responsibilities and how audit committee members can help. <b>For information only.</b>
2	CIPFA Consultation on updated guidance on the annual review and preparation of an annual governance statement	CIPFA has launched a consultation on its guidance on the annual review and preparation of the annual governance statements (AGS). <b>For information only.</b>
3	CIPFA Better Reporting Group consultation	CIPFA's Better Reporting Group (BRG) has been set up to identify and address challenges in local authority financial reporting. <b>For information only.</b>
4	CIPFA Advisory Note: Statement of Responsibilities	CIPFA has published an advisory note on the Chief Finance Officer's (CFO's) Statement of Responsibilities which provides guidance on informing the 'true and fair' assessment of the accounts at the reporting date. <b>For information only.</b>
Ministry of Housing, Communities and Local Government ('MHCLG')		
5	Code of Audit Practice 2024: Explanatory memorandum	This explanatory memorandum has been prepared by the Ministry of Housing, Communities and Local Government and laid before Parliament in accordance with the Local Audit and Accountability Act 2014. <b>For information only.</b>
6	MHCLG Addressing the local audit backlog in England: Non-compliance lists	MHCLG has published a list of local bodies that did not publish one or more audited accounts for financial years up to and including 2022 to 2023 by the statutory backstop date of 13 December 2024. <b>For information only.</b>
7	Local audit reform: a strategy for overhauling the local audit system in England	MHCLG has published its response to the consultation on local audit reform. This included making some additional commitments in response to the findings of the consultation. <b>For information only.</b>
National Audit Office ('NAO')		
8	NAO overview: The impact of fraud and error on public funds 2023-24	This report provides an introduction to the impact of fraud and error on public funds, how public bodies can tackle fraud and error, and the NAO's examination of the topic. It is intended to support the Committee of Public Accounts, and Members across the House in their examination of how government manages fraud and error and some of the things it could do to improve. <b>For information only.</b>

# National publications

	Publication/update	Key points
9	NAO report: Whole of Government Accounts 2022-23	The Whole of Government Accounts consolidates the accounts of over 10,000 public sector bodies to provide the most complete and accurate picture of the UK’s public finances. <b>For information only.</b>
10	NAO insight: Financial management in government: monitoring and forecasting	This guide is for senior finance leaders in government departments and other public bodies. It sets out insights and good practice on monitoring and forecasting for better financial management in government. <b>For information only.</b>
11	NAO insight: Government’s approach to technology suppliers: addressing the challenges	This report examines government’s overall approach to digital and technology suppliers. It sets out lessons for the centre of government and departments to learn from government’s approach to digital procurement. <b>For information only.</b>
12	NAO insight: Financial management in government: allocating resources	This guide is for senior finance leaders in government departments and other public bodies. It sets out insights and good practice on how to allocate resources for better financial management in government. <b>For information only.</b>
13	NAO Insight: Managing the commercial lifecycle	The NAO has published good practice guidance Managing the commercial lifecycle that has been updated in response to the implementation of the Procurement Act 2023. <b>For information only.</b>
Other		
14	Audit opinion data 2023/24	An update was provided on the delivery of audit opinions for 2023/24 against the backstop date of 28 February 2025. For information only.
15	ICAEW and LGPS Scheme Advisory Board launch LGPS informer	This document explains how the Local Government Pension Scheme (‘LGPS’) works in practice, and other key information. <b>For information only.</b>
16	Major Local Audits Reports	The FRC have published their annual report on their inspection findings of Audit Quality Reviews of Major Local Audits. <b>For information only.</b>

# National publications

## CIPFA

### 1. Audit Committee Update issue 41 – the local audit backstop

A guide for audit committee members at English local authorities to explain the local audit backstop arrangements. It covers key terms, dates, roles and responsibilities and how audit committee members can help.

Link: [Audit Committee Update issue 41 – the local audit backstop](#)

### 2. CIPFA Consultation on updated guidance on the annual review and preparation of an annual governance statement

CIPFA has launched a consultation on its guidance on the annual review and preparation of the annual governance statements (AGS).

The consultation is on a proposed Addendum to the current AGS guidance within Delivering Good Governance in Local Government: Framework (Governance Framework) (CIPFA and Solace, 2016). The purpose of the Addendum is to reflect the changes affecting governance in local government bodies since 2016, encourage robust reviews of governance arrangements and improve accountability to stakeholders, including local communities.

The consultation is applicable to all local government bodies that undertake an annual review and publish an AGS in accordance with the appropriate national regulations and the 2016 Framework. It is also relevant to external auditors and the stakeholders of local authorities.

Link: [Consultation on updated guidance on the annual review](#)

# National publications

## CIPFA

### 3. CIPFA Better Reporting Group consultation

CIPFA's Better Reporting Group (BRG) has been set up to identify and address challenges in local authority financial reporting either through proposing amendments to the Code of Practice on Local Authority Accounting for the United Kingdom (the Code) or assisting to develop practical guidance to enhance its application.

Link: [Better Reporting Group](#)

### 4. CIPFA Advisory Note: Statement of Responsibilities

CIPFA has published an advisory note on the Chief Finance Officer's (CFO's) Statement of Responsibilities which provides guidance on informing the 'true and fair' assessment of the accounts at the reporting date. The advisory note applies to all local government bodies in the UK.

The note draws from lessons learnt from recent examples and a roundtable with CFO's and reinforces good practice principles that local government bodies in the UK should adopt. The CIPFA Practice Oversight Panel expects all local government bodies to be aware of the lessons learnt and therefore auditors may wish to ensure the bodies they audit are aware of this latest guidance.

Link: [Statement of Responsibilities](#)

**5. Code of Audit Practice 2024: Explanatory memorandum**

The draft Code of Audit Practice 2024 has been developed by the Comptroller and Auditor General (C&AG) and laid in Parliament on his behalf by the government. The government has produced this accompanying explanatory memorandum.

The changes in the Code are part of wider measures to address the significant backlog of unaudited local body accounts in England. This backlog affects non-NHS bodies within the Code’s remit including local authorities, National Park authorities, fire authorities, police and crime commissioners, waste authorities and transport authorities

Link: [Code of Audit Practice 2024: Explanatory memorandum](#)

**6. MHCLG Addressing the local audit backlog in England: Non-compliance lists**

The Ministry of Housing, Communities and Local Government (MHCLG) has published a list of local bodies that did not publish one or more audited accounts for financial years up to and including 2022 to 2023 by the statutory backstop date of 13 December 2024.

Link: [Addressing the local audit backlog in England: Non-compliance lists - GOV.UK](#)



**5. Code of Audit Practice 2024: Explanatory memorandum**

The draft Code of Audit Practice 2024 has been developed by the Comptroller and Auditor General (C&AG) and laid in Parliament on his behalf by the government. The government has produced this accompanying explanatory memorandum.

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Link: [Addressing the local audit backlog in England: Non-compliance lists - GOV.UK](#)

**7. Local audit reform: a strategy for overhauling the local audit system in England**

Extracts from Press Release on 9 April 2025:

**Road to recovery outlined in new commitments for local audit reform to streamline and fix the fragmented and broken system**

New reforms to repair the ‘broken’ local audit system will boost taxpayers’ confidence in council spending and streamline the sector so it’s fit-for-purpose, legal and decent.

Today, 16 commitments have been set out to achieve this, including simplifying financial reporting requirements and increasing capacity to avoid reliance on a small number of auditors.

The reforms will be backed by up to £49 million of support to help councils clear their backlogs and cover the additional cost of restoring audit assurance. Releasing funds to councils will be reliant on compliance with statutory backstops and linked to the publication of audited accounts and audit fees being paid.

In addition, a further £15m of grant was paid to local bodies in March 2025 as part of an existing package to help meet the wider costs of meeting audit requirements and fees.

The 16 new measures follow an [open consultation](#) on the local audit strategy, which attracted hundreds of responses.

The measures build on an existing commitment to set up the Local Audit Office as an independent and unified body, which will stop fragmentation in the system by co-ordinating functions spread across different organisations including the Public Sector Audit Appointments Ltd, the National Audit Office and the Financial Reporting Council.

These reforms will be crucial to fixing the foundations and bringing long-term stability to local government as committed in the Plan for Change.

Link: [Overhaul of local audit will restore trust in broken system - GOV.UK](#)

# National publications

## NAO

### 8. NAO overview: The impact of fraud and error on public funds 2023-24

This report provides an introduction to the impact of fraud and error on public funds, how public bodies can tackle fraud and error, and the NAO's examination of the topic. It is intended to support the Committee of Public Accounts, and Members across the House in their examination of how government manages fraud and error and some of the things it could do to improve.

This overview summarises the key information and insights from our work. It includes:

- what we mean by fraud and error, and how government is structured to tackle it
- the fraud and error risk management cycle
- fraud and error against government, including in benefits, taxes and COVID-19 fraud
- emerging threats and opportunities
- what to look out for when thinking about fraud and error.

Link: [The impact of fraud and error on public funds 2023-24](#)

### 9. NAO report: Whole of Government Accounts 2022-23

The Whole of Government Accounts consolidates the accounts of over 10,000 public sector bodies, including central and local government and public corporations such as the Bank of England, to provide the most complete and accurate picture of the UK's public finances.

Link: [Whole of Government Accounts 2022-23](#)

# National publications

## NAO

### 10. NAO insight: Financial management in government: monitoring and forecasting

Good financial management is critical in the public sector. For public services to be efficient and productive, the effective management of public finances is essential. This guide outlines how finance leaders across government can monitor budgets and their performance and ensure forecasting is effective. It focuses on three principles:

- Promote a culture of accountability – leadership emphasises the importance of budget holders being accountable for monitoring financial performance and ensuring forecasts are accurate and realistic.
- Develop the right skills and capabilities – finance professionals possess the skills and capabilities to monitor effectively and forecast with precision and leverage these to elevate the quality of the organisation's decision-making.
- Make the best use of data and information – high-quality data and information is used to enable better monitoring and more accurate forecasting, helping decision-makers respond to events quickly and effectively.

Link: [Financial management in government: monitoring and forecasting](#)

### 11. NAO insight: Government's approach to technology suppliers: addressing the challenges

This report examines government's overall approach to digital and technology suppliers. It sets out lessons for the centre of government and departments to learn from government's approach to digital procurement. The NAO focus on major procurement of technology to support business change, including the digital transformation of government and planning for technology of the future. The report examines:

- the scale of the challenge of undertaking digital procurement in a way that supports the modernisation of the public sector to make it more efficient and effective, and government's response to that challenge;
- how the centre of government can adopt a more strategic approach to how it works with digital and technology suppliers; and
- how departments can better understand and manage the complexities of digital procurement, including making full use of their digital expertise.

Link: [Government's approach to technology suppliers: addressing the challenges](#)

# National publications

## NAO

### 12. NAO insight: Financial management in government: allocating resources

This guide outlines how finance leaders across government can allocate resources effectively when resources are scarce and trade-offs need to be made. It focuses on three principles:

- Using information intelligently – an organisation should use trusted and objective information intelligently, so it can allocate resources to support strategic objectives.
- Prioritising effectively – finance leaders should support decision makers to make difficult decisions and trade-offs to generate good value-for-money outcomes based on agreed priorities.
- Building for the long term – decisions need to balance short-term pressures with long-term priorities and align with the strategic objectives of the organisation.

Link: [Financial management in government: allocating resources](#)

### 13. NAO Insight: Managing the commercial lifecycle

The NAO has published good practice guidance Managing the commercial lifecycle that has been updated in response to the implementation of the Procurement Act 2023. It reflects upon findings and recommendations drawn from 200 reports concerning over 300 commercial arrangements that have been published over the past 20 years.

The 'commercial lifecycle' means the entire process starting with the identification of a requirement that may be delivered by a supplier to government through to the selection and appointment process, contract management activity, and ending with contract termination or transition to alternative arrangements.

This is a revised and condensed edition of commercial good practice guidance that has been updated regularly since 2008. It remains essential reading for policy and commercial staff involved at all levels of public procurement and commercial activities – including senior leaders and non-executive board members of public authorities. The guidance is presented in ten sections, addressing both strategic and procedural considerations.

To support this guidance, the NAO also updated its guide on the Commercial Audit Framework, which highlights the key questions at each of the ten key stages of procurement. Whether it's the commercial strategy for public procurement, the publication of good-quality, relevant information on a timely basis, or deciding whether to extend the contract or re-procure.

Link: [Managing the commercial lifecycle - NAO insight](#)

14. Public Sector Audit Appointments (PSAA) News - Audit opinion data 2023/24

Extract from PSAA Press Release on 11 March 2025

Auditors have reported issuing **224** disclaimed or qualified opinions due to the backstop of 28 February 2025 for the 2023/24 audits of accounts covered by PSAA’s appointing person scheme.

There were **7** modified opinions that auditors have not attributed to the backstop, including **2** disclaimed opinions.

There are a further **48** opinions that remain outstanding. This includes **6** authorities where there is an exemption due to a material objection or legal matter or due to VFM arrangements work.

Audit Opinion for 2023/24	Number	Percentage
Unmodified	174	37.9%
Unmodified with additional disclosures*	6	1.3%
Disclaimed (backstop)	216	47.1%
Qualified (backstop)*	8	1.7%
Disclaimed (non-backstop)	2	0.4%
Qualified (non-backstop)*	5	1.1%
Not yet delivered	48	10.5%
Total	459	100%

Link: [Press release: Local government audit opinion data - PSAA](#)

# National publications

## Other

### 15. ICAEW and LGPS Scheme Advisory Board launch LGPS informer

This document explains:

- how the Local Government Pension Scheme works in practice;
- key information flows between employing bodies, pension funds and actuaries;
- the content and purpose of annual accounting reports and triennial valuations;
- key accounting requirements for employing bodies; and
- the role of external auditors.

Link: [ICAEW and LGPS Scheme Advisory Board launch LGPS informer](#)

### 16. Major Local Audits Reports

The FRC publish an annual report on the inspection findings of Audit Quality Reviews of major local audits in England, which includes large health and local government bodies. The audit of a relevant authority becomes a major local audit if it:

- has total income or expenditure of at least £500 million; or
- administers a local government pension scheme with at least 20,000 members or assets over £1,000 million.

In the 2023/24 inspection cycle, the FRC inspected six NHS and two local government audits. The results of these inspections are included in this report. The FRC acknowledge the unprecedented circumstances facing the local audit sector and have updated their regulatory approach to the monitoring of audit quality to support the reset measures and recovery period.

Link: [Major Local Audits Reports](#)

# 03

## Appendices



## Appendix A: Current year updates, forthcoming accounting & other issues

### New standards and amendments

**Effective for accounting periods beginning on or after 1 January 2019**

#### *IFRS 16 Leases (Issued January 2016)*

- IFRS 16 Leases (IFRS 16) will replace the existing leasing standard, IAS 17, and will introduce significant changes, particularly for lessees. The requirements for lessors will be largely unchanged from the position in IAS 17. Lessees will need to recognise right of use assets and associated lease liabilities for all leases (except short-life or low-value leases) as the distinction between operating leases and finance leases is removed. Subsequent to initial recognition, a service concession arrangement liability will subsequently measured following the principles set out in IFRS 16. The introduction of this standard is likely to lead to significant work being required in order to identify all leases and service concession arrangements to which the Council are party to. There will also be consequential impacts upon capital financing arrangements at many authorities which will need to be identified and addressed. IFRS 16 was adopted by the Code of Practice on Local Authority Accounting in 2024/25.

**Effective for accounting periods beginning on or after 1 January 2023**

#### *IFRS 18 Presentation and Disclosure in Financial Statements (Issued April 2024)*

- IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) is a new standard that replaces IAS 1 Presentation of Financial Statements. The new standard aims to increase the comparability, transparency and usefulness of information about companies' financial performance. It introduces three key new requirements focusing on the presentation of information in the statement of profit or loss and enhancing certain guidance on disclosures within the financial statements. As IFRS 18 was only issued in April 2024 it has yet to be adopted by the Code of Practice on Local Authority Accounting in 2024/25 therefore the applicability to local government is to be determined.

International Standard on Auditing (UK) 600 Revised - Special considerations - Audits of group financial statements (Including the work of component auditors)

ISA (UK) 600 deals with the special considerations that apply to audits of group financial statements, including those circumstances when component auditors are involved. The auditing standard has been revised. The revised standard is effective for audits of group financial statements for periods beginning on or after 15 December 2023. The revisions made to ISA (UK) 600 impact how we perform audits of group financial statements, and how we communicate our audit strategy and audit findings arising from audits of group financial statements, going forward. This page sets out the key changes made to ISA (UK) 600 and how Forvis Mazars will apply the requirements of the revised standard in practice.

Key changes

The previous ISA (UK) 600 included prescriptive requirements in respect of the audit procedures required over ‘significant components’ of a group, i.e., a ‘full scope’ audit of a significant component’s financial information relevant to the group financial statements was required. Forvis Mazars defined a ‘significant component’ as one that contributed to the group financial statements more than 15% of the materiality benchmark selected to determine group materiality, e.g., if we had determined materiality using a profit before tax benchmark, any component that contributed more than 15% of the group’s reported profit before tax would be classified as a significant component and a ‘full scope’ audit would be performed over that component’s financial information.

ISA (UK) 600 Revised eliminates the ‘significant component’ concept, opting instead for consideration of risks of material misstatement at the assertion level of the group financial statements that are associated with components. This results in a group audit that is better focused on the risks of material misstatement of the group financial statements and affords greater flexibility in how we classify components and how we may design the nature and extent of audit procedures to be performed over a component’s financial information, i.e., we can determine the nature and extent of the audit procedures to be performed over a component’s financial information based on the specific risks relevant to the group financial statements.

ISA (UK) 600 also, however, removed the option to limit the procedures performed over a ‘non-significant’ component’s financial information to desktop analytical procedures. We are now required to perform substantive audit procedures (or a combination of substantive audit procedures and tests of controls) over the group financial statements, including the financial information relating to components in the group, until the residual, untested balances, classes of transaction and disclosures in the group financial statements are below our group materiality. This is to ensure that aggregation risk (the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole) is addressed appropriately.

In combination, these changes may result in a change to the nature and extent of the audit procedures we perform over the financial information of components on a group audit compared to previous years and may result in components that were not previously in scope of our group audit being brought into scope going forward to ensure that we address aggregation risk appropriately.

To ensure consistency of approach, Forvis Mazars will apply the definitions set out below when performing audits of group financial statements going forward:

Key component	Material component	Non-material component
Any component:  i. Which is greater or equal to 15% of the benchmark chosen for calculating group materiality (key by size); or  ii. Where the specific nature or circumstance of its financial information make it likely to include significant risks of misstatement of the group financial statements (key by risk).	Any component, other than a key component, that contributes to one or more group financial statement areas an amount that is above group financial statement materiality.	A component, that is not a key component or a material component, that is scoped into a group audit to reduce the risk of material misstatement of the group financial statements to an acceptably low level (based on size or risk) in situations when, after assessing which components are key components and material components, the aggregate amount of a financial statement area related to un-scoped components is still above group financial statement materiality.

International Standard on Auditing (UK) 600 Revised - Special considerations - Audits of group financial statements (including the work of component auditors)

Key changes (continued)

**Definition of ‘component’** - The definition of ‘component’ has been revised to “an entity, business unit, function or business activity, or some combination thereof, determined by the group auditor for the purposes of planning and performing audit procedures in a group audit”.

This provides clarity on how components may be identified in a group audit and may result in a change to how we identify components on a group audit compared to previous years. For example, we may group separate legal entities (e.g., subsidiaries) in a group based on common characteristics (such as common management, common information systems, and common geographical locations) and treat those components as a single component, when appropriate to do so.

**Common controls** - The definition of ‘group-wide’ controls has been removed and we are instead required to consider ‘common controls’, being controls that operate in a common manner for multiple entities or business units.

This may assist us in grouping separate legal entities, business units, functions, or business activities in a group into a single component for the purposes of a group audit; or it may result in us grouping specific account balances or classes of transaction recorded by individual legal entities, business units, functions, or business activities into a single population for the purposes of our audit procedures.

For audits where we are adopting a controls-based audit strategy, this may result in efficiencies, as we can rely on a single control for the purposes of the audits of more than one component where that control is common to those components.

**Definition of ‘engagement team’** - The definition of ‘engagement team’ has been revised to include component auditors. While this change may seem inconsequential, it forms part of the overall changes intended by ISA (UK) 600 Revised to enhance two-way communication between the group auditor and component auditors during a group audit. This will result in enhanced direction and supervision of component auditors by the group auditor during a group audit.

**Calculation of component materiality** - The requirement to set overall materiality for a component has been removed. We are now only required to determine component performance materiality.

**Other changes** - ISA (UK) 600 Revised includes new and revised requirements and application material that better aligns the standard with recently revised standards such as ISQM (UK) 1, ISA (UK) 220, and ISA (UK) 315. The new and revised requirements also strengthen our responsibilities related to professional scepticism, planning and performing a group audit, two-way communications between the group auditor and component auditors, and audit documentation. These changes are to encourage proactive management of quality at the group engagement level and the component level; reinforce the need for robust communication and interactions during a group audit; and foster an appropriately independent and challenging sceptical mindset.

**Scope of audit work to be performed over a component’s financial information** - Forvis Mazars will, going forward, determine the scope of work to be performed over a component’s financial information on a group audit using the definitions set out below:

Full scope	Specific scope	Group Engagement Team Instructed Procedures
Designing and performing audit procedures on the entire financial information of a component.	Designing and performing audit procedures on one or more specified account balances, classes of transaction, and/ or disclosures of a component.	Performing specified audit procedures, as designed and instructed by the group engagement team.

Forvis Mazars

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This document is to be regarded as confidential to Bury Council. It has been prepared for the sole use of the Audit Committee as the appropriate sub-committee charged with governance by the Council. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

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Classification	Item No.
Open	

<b>Meeting:</b>	Audit Committee
<b>Meeting date:</b>	23 <sup>rd</sup> July 2025
<b>Title of report:</b>	Internal Audit Annual Report 2024/25
<b>Report by:</b>	Janet Spelzini Head of Fraud, Audit, Insurance and Risk (FAIR)
<b>Decision Type:</b>	Council
<b>Ward(s) to which report relates</b>	All

### Executive Summary:

This report summarises the results of Internal Audit work during 2024/25 and, as required by the Accounts and Audit Regulations 2015, gives an overall opinion of the Authority's control environment.

The conclusions drawn from the report are:

A number of reports were received from the external auditors, Forvis Mazars, detailing the outcome of their audit work and these were presented to the Audit Committee in December 2024. The details identified three significant weaknesses in the Council's governance arrangements. These weaknesses were across all three reporting criteria that they are required to consider under the Code of Audit Practice, namely; financial sustainability, governance and improving the economy, efficiency and effectiveness of services. The outcome from these reports required the Council to formulate an organisational service improvement plan, which included the implementation of all fundamental and significant Internal Audit recommendations. The improvement plan, which included the establishment of six new assurance boards, was presented to and approved by the Audit Committee on 9 January 2025.

The Council is still going through a period of transformation, which includes a restructure of the Finance teams, a project to upgrade the Unit 4 financial control

system and the implementation of zero-based budget setting. Restructures are also taking place in other areas within the Council to strengthen current teams which should assist with delivery of the Service Improvement Plan. The Service Improvement Plan is being monitored, and regular updates have been brought to Audit Committee to evidence progress made to address the External Audit requirements.

The initial Internal Audit Plan for 2024/25 was presented to and approved by Audit Committee on 4 March 2024. The plan was amended during the year to reflect management requests, overruns and deferrals. The amendments were presented to the Audit Committee throughout the year.

Based upon the results of the audit work undertaken during the year, my opinion is that the Authority's control environment provides limited assurance that the significant risks facing the Authority are addressed. I am concerned that some fundamental and significant recommendations have not been fully implemented during the year. However, the recommendations made had been accepted by management and are in the sight of the Governance and Assurance Board (GAB) and the Members Assurance Group (MAG)

Towards the end of the 2024/25 year, whilst a number of Limited Assurance reports were still being issued, the Internal Audit Team were starting to see an improvement on numbers of recommendations being addressed by the time the second follow up has been completed, thus fewer recommendations being reported as outstanding to the Governance and Assurance Board. This suggests that the work of the Governance and Assurance Board is positively contributing to the improvement of Governance across the Council.

## **Recommendation(s)**

### **That:**

- Members note the contents of this report.

## **Key Considerations**

Background information to this report is contained in the context section of the main report. There are no decisions required for this report.

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

Ensuring compliance with Financial Procedures and Policies

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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.

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### **Assessment of Risk:**

The following risks apply to the decision:

<b>Risk / opportunity</b>	<b>Mitigation</b>
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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### **Consultation:**

N/a

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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 supports the governance framework.

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## Report Author and Contact Details:

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## Background papers:

Internal Audit Plan 2024/25  
 Internal Audit Progress reports 2024/25

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

Term	Meaning
MAG	Members Assurance Group
GAB	Governance Assurance Board
PSIAS	Public Sector Internal Auditing Standards
FOI	Freedom of Information
ROPA	Record of Processing Activities
SAR	Subject Access Request
DWP	Department for Work and Pensions
ICT	Information & Communications Technology
CCTV	Closed Circuit Television





## **Internal Audit Annual Report 2024/25**

“Providing assurance on the management of risks”

# Internal Audit Annual Report 2024/25

## **“Providing assurance on the management of risks”**

This document summarises the results of Internal Audit work during 2024/25 and, as required by the Accounts and Audit Regulations 2015, gives an overall opinion of the Authority's control environment.

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### **Opinion**

Based upon the results of audit work undertaken during the 2024/25 financial year, my opinion is that the Authority's control environment provides a limited assurance that the significant risks facing the Authority are being addressed.

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### **Context**

This report outlines the work undertaken by Internal Audit between 1 April 2024 and 31 March 2025.

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 on whether these arrangements are in place and operating properly by reviewing, appraising and reporting on the efficiency, effectiveness, and economy of these arrangements. In addition, Internal Audit provides assurance to the organisation, Chief Executive, Executive Directors, S151 Officer, the Audit Committee and ultimately the taxpayer, that the Council maintains an effective control environment that enables it to manage its significant business risks. The assurance work culminates in an annual opinion on the adequacy of the Authority's control environment which feeds into the Annual Governance Statement.

Internal Audit is required by professional standards to deliver an annual audit opinion and timed to support the Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The annual report must incorporate:

- the opinion.
- a summary of the work that supports the opinion; and
- a statement on conformance with the Public Sector Internal Audit Standards

A new audit plan monitoring system was developed and introduced for the 2024/25 financial year, which has significantly reduced administration time and improved the monitoring of the delivery of the audit plan. A year-end review of the monitoring system in relation to the 2024/25 audit plan identified the following points:

Area	Allocation (days)	Actual (days)	Underspend / Overspend	Comment
Carry forward work from 2023/24	47	173	-126	More audits were rolled forward into 2024/25 plan than originally anticipated.
2024/25 Assurance Work	364	197	167	A number of audits were removed from the plan, the reasons have previously been reported to the Audit Committee.
Schools	45	112	-67	The original allocation was insufficient for the work being undertaken and the issues identified. The majority of the school audits resulted in a limited assurance rating.
Persona	36	20	16	Not all audits were completed by the year end. Outstanding reviews have been carried forward to 2025/26.
1 <sup>st</sup> Follow Ups	70	52	18	
2 <sup>nd</sup> Follow Ups	35	31	4	
Contingency for STH transfer to the Council	8	35	-27	Request from the Interim Director of Housing for additional audit work.
Contingency for investigations / whistleblowing	60	31	29	
Contingency for unplanned management requests & advice and guidance	69	61	8	
Non-Rechargeable time	522	544	-22	Overspend on management and general office duties due to preparation for the PSIAS review, production of reports / attendance at the GAB / MAG
Totals	1,256	1,256	0	

## Internal Audit assurance work 2024/25

The underlying principle to the 2024/25 plan was risk and accordingly audits were only completed in areas that represent an 'in year risk'.

The methodology adopted in preparing the plan, and the plan itself, was presented to and approved by the Audit Committee on 4 March 2024.

Since the original plan was presented to the Audit Committee, it was inevitable that there would be variations to the plan during the year if it is to adequately reflect changing circumstances and the changing organisation. The net effect of this is that some of the agreed audits have been completed, some have not been undertaken, some have been deferred into the 2025/26 audit plan and some are still in the process of being finalised.

All audit assurance reports are provided to Audit Committee members on a monthly basis and from January 2025 reports are also provided to all Cabinet Members. In addition, all adjustments to the plan have been reported to the Audit Committee within the Internal Audit Progress reports presented during 2024/25.

The following 17 audits were still in progress at the end of the financial year and were carried forward into 2025/26 to be finalised:

- Purchase Card Expenditure
- Emergency Duty Team
- Persona – Supported Living – Client Finances
- Legionella – Performance Data Quality
- Debtors – Invoice Processing
- Chapelfield Primary School
- Complaints Procedure
- Bury & Whitefield Jewish Primary School
- Persona - Safeguarding
- Asbestos – Performance Data Quality
- Persona – Governance of the Persona Board
- FOI / SAR
- Additional Hours / Overtime Payments
- Our Lady of Grace RC Primary School
- ROPA
- Recruitment Process
- Adults Financial Assessments

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## **Internal Audit follow up work 2024/25**

Follow up exercises for reports with limited assurance are undertaken after three months of the final report being issued to client. Follow up exercises for all other reports are undertaken six months after the final reports have been issued to the client. During 2023/24 the follow up process was enhanced with the introduction of a second follow up exercise to undertake further testing to ensure any outstanding recommendations from the first follow up have been actioned / implemented. The second follow up, if required, is undertaken six weeks after the issue of the first follow up.

The follow up process for 2024/25 only involved examining fundamental and significant recommendations.

Details of all follow-up reviews undertaken are provided to Audit Committee members on a monthly basis and from January 2025 are also provided to all Cabinet Members. Those recommendations showing as “Outstanding” or “Partially Implemented” are then also escalated to the newly formed GAB and MAG assurance groups (January 2025).

All follow ups are subject to scrutiny by Audit Committee Members, GAB and MAG who have the authority to call in Assistant Directors / Directors to explain delayed progress where appropriate, agree new anticipated completion dates and ensure that these are adhered to.

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## Summary of assurance and follow up work 2024/25

The Council, and local government generally, continues to face significant challenges, including the ongoing financial challenges and the need to deliver savings, in addition to the impact on service delivery in terms of both increased costs and lost income. The Council has continued in 2024/25 to go through restructuring, and it is important that controls and governance remain in place and that there is an understanding of responsibilities and accountabilities. Regularly updated forecasts of income and expenditure pressures against the available funding were provided internally through the Council’s monitoring framework.

The 2024/25 draft unaudited statement of accounts and the Annual Governance Statement is being prepared and has been published on the Council website.

### Internal Audit Assurance Work

The key outcome of each audit is an overall opinion on the level of assurance provided by the controls within the area audited. Audits will be given one of four levels depending on the strength of controls and the operation of those controls. The four categories ranging from the lowest to highest are Limited, Moderate, Substantial and Full. The opinion reflects both the design of the control environment and the operation of controls.

A total of 27 audit reviews, making 165 recommendations, have been considered as part of forming the overall opinion for the year. See tables below for details:

	Total No. of Audits	%
Full Assurance	2	7%
Substantial Assurance	7	26%
Moderate Assurance	5	19%
Limited Assurance	13	48%
Total	27	100%

Total No. of Recs	%
0	0%
15	9%
29	18%
121	73%
165	100%

	Total No. of Recs	Fundamental Priority	%	Significant Priority	%	Merits Attention Priority	%
Full Assurance	0	0	0%	0	0%	0	0%
Substantial Assurance	15	0	0%	9	60%	6	40%
Moderate Assurance	29	0	0%	20	69%	9	31%
Limited Assurance	121	35	29%	42	35%	44	36%
	165	35	21%	71	43%	59	36%

A full list of the assurance work completed during the year is given in Appendix A.

Recommendations are categorised according to the risks they are intended to mitigate. Categorising recommendations also assists managers in prioritising improvement actions. The current categories used, in increasing order of importance are Merits attention, Significant and Fundamental.

During the year 165 recommendations were made to address weaknesses in control which would not have been identified if the audit had not been undertaken. All the recommendations made, except 1, were accepted by management and positive responses were received to indicate that they would be implemented.

Two further recommendations were made in a whistleblowing report which was issued. These recommendations did not have a grading assigned. This report does not provide an overall opinion and therefore is excluded from the statistics for the overall audit opinion.

#### Internal Audit Follow Up Work

Details of audits which were followed up during 2024/25 are provided at Appendix B (First Follow Up) and Appendix C (Second Follow Up) and these are included in the overall opinion.

Some of the follow ups undertaken during 2024/25 relate to audits undertaken in previous financial years. Therefore, the figures being reported in this section will not balance back to the 165 recommendations made for audits completed and issued during 2024/25.

23 first follow ups were completed and issued between 1 April 2024 and 31 March 2025. Out of the 90 recommendations followed up, 43 (48%) were identified as either still being outstanding or partially implemented.

17 second follow ups were also completed and issued. Out of the 39 recommendations followed up, 17 (44%) were identified as still being outstanding or partially implemented.

The Governance and Assurance Board and the Members Assurance Group have been meeting on a monthly basis since February 2025 to consider all fundamental and significant recommendations which are outstanding or partially implemented after a second follow up has been undertaken.

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## Persona

Internal Audit provide a traded service to Persona. For the financial year, 36 days were allocated in the audit plan, which equated to 3, 12-day audits. In addition, advice and guidance was provided when requested.

None of the reviews had been finalised by year end. However, work was ongoing and is expected to have been completed in the first quarter of 2025/26.

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## Schools

Schools identified with a forecast deficit budget for 2024/25 were considered and a small number of school's were subjected to a full audit. In addition, contingency was built into the plan for any requests by the Director of Education & Skills, or the Director of Finance.

6 primary schools and 1 secondary school were visited during 2024/25 and 5 reports have been finalised.

Department for Children and Young People School Assurance Board meetings are attended by a representative from the Internal Audit Team, and therefore advice and support can be provided as it is requested.

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## Summary of non-assurance work

### Special investigations

The size and complexity of the Council means that some irregularities are inevitable and therefore, in addition to planned assurance work, a number of special investigations were needed during the year. Internal Audit assisted with / advised Human Resources regarding disciplinary issues as well as providing advice to Departments regarding suspected irregularities.

In 2024/25, information regarding a special investigation completed was submitted to Audit Committee.

A report was issued, Whistleblowing 0036 – Bury Business Centre which made two recommendations, The follow-up for this report, to determine if the recommendations have been implemented, has not yet been undertaken.

Suspected frauds can be reported to our dedicated  
whistleblowing hotline 0161 253 6446 or by email to  
[Whistleblowing@bury.gov.uk](mailto:Whistleblowing@bury.gov.uk)

## Advice

Internal Audit is most efficient when its advice is utilised to ensure that appropriate controls are incorporated at an early stage in the planning of policy or systems development. This work reduces the issues that will be raised in future audits and contributes to a stronger control environment. During the year advice was requested for a small number of issues.

Examples of areas where audit advice and support was given include: -

- Suspected data breaches;
- Safety and Security of valuable items;
- Recovery of an over payment made to the wrong supplier;
- Income collection processes.

Work is continuously undertaken to ensure that Departments are aware that they should approach Internal Audit as a consultancy resource and a contingency has been built into the annual audit plan for 2025/26 so that resources are available to meet any consultancy requests.

## Certification

Internal Audit can be required to certify grant claims. Two grant claims were examined and approved by Internal Audit during 2024/25. These were:

- Bus Operators Grant
- Section 31 Highways Grant

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## Effectiveness

This section of the report sets out information on the effectiveness of the service and focuses on compliance with the PSIAS and customer feedback.

A full externally conducted quality assessment of the service was conducted during September / October 2024. The report was issued in November 2024 and concluded that the audit service “partially conformed to the expectations of the PSIAS.” A development plan has been drafted, and this was approved by the Audit Committee on 8 April 2025. Work is still currently being undertaken to address the recommendations made.

In accordance with best practice there is a rigorous internal review of all work undertaken by all staff and the results feed into the staff appraisal process.

Following most audits a “post audit questionnaire” is issued to the relevant managers asking for their views on the conduct of the audit. The questionnaire includes a range of questions covering the audit approach, reporting format, etc. A key feature of the audit role is the need to sometimes be critical of existing or proposed arrangements. There is therefore an inherent tension that can make it difficult to interpret surveys.



Post audit questionnaires are not issued when an investigation is undertaken or if the audit is undertaken by an external partner.

In 2024/25, whilst acknowledging that there was a low response rate, (14%) the post audit questionnaire responses which were returned continued to evaluate the audit process and value of reports as excellent / good. All feedback received was positive and no negative feedback or comments had been received. Following on from feedback received from stakeholders during 2024/25, changes have been made to the presentation of the follow up reports and a new format has been introduced for all follows up undertaken from 1 April 2025.

It is clearly important for any audit service to keep abreast of best professional practice. The Internal Audit service is fortunate in having strong links with colleagues both within Greater Manchester and nationally. At a regional level there are networking opportunities for auditors specialising in schools and ICT. As well as good opportunities for continuing professional development and sharing best practice these activities provide advance information on new developments which can be reflected in the audit plan.

The Authority can be confident that a good quality Internal Audit service continues to be provided.

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## Opinion

A number of reports were received from the external auditors, Forvis Mazars, detailing the outcome of their audit work and these were presented to the Audit Committee in December 2024. The details identified three significant weaknesses in the Council's governance arrangements. These weaknesses were across all three reporting criteria that they are required to consider under the Code of Audit Practice, namely, financial sustainability, governance and improving the economy, efficiency and effectiveness of services. The outcome from these reports required the Council to formulate an organisational service improvement plan, which included the implementation of all fundamental and significant Internal Audit recommendations. The improvement plan, which included the establishment of six new assurance boards, was presented to and approved by the Audit Committee on 9 January 2025.

The Council is still going through a period of transformation, which includes a restructure of the Finance teams, a project to upgrade the Unit 4 financial control system and the implementation of zero-based budget setting. Restructures are also taking place in other areas within the Council to strengthen current teams which should assist with the delivery of the Service Improvement Plan. The Service Improvement Plan is being monitored, and regular updates have been brought to Audit Committee to evidence progress made to address the External Audit requirements.

The initial Internal Audit Plan for 2024/25 was presented to and approved by Audit Committee on 4 March 2024. The plan was amended during the year to reflect management requests, overruns and deferrals. The amendments were presented to the Audit Committee throughout the year. It is the responsibility of the Council to

develop and maintain the internal control framework. In undertaking its work, Internal Audit has a responsibility under PSIAS to provide an annual Internal Audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (i.e. the control environment) and a summary of the audit work from which the opinion is derived.

No system of control can provide absolute assurance against material misstatement / loss or eliminate risk, nor can Internal Audit give that assurance. The work of Internal Audit is intended only to provide reasonable assurance on controls. In assessing the level of assurance to be given, I have taken into account:

- Audit plan, other audit and advisory work completed in 2024/25.
- Any first and second follow-up reviews completed in 2024/25 which will include audits from previous financial years where applicable.
- Any fundamental recommendations not accepted by management and the consequent risks (this is not applicable in 2024/25 as management accepted all these recommendations).
- The effect of non-assurance work undertaken during the year.
- The effect of any significant changes in the Authority's systems.

Significant issues have arisen during the year, with 27 reports being issued, 13 of which were classified as limited assurance. In addition, 5 moderate assurance reports were also issued. This means that 67% of the reports issued were in the bottom two quartiles of the assurance framework. The 27 reports contained 165 recommendations, 35 recommendations were classed as fundamental and 62 were classed as significant. This means that 97 recommendations (59%) were made that were in the bottom two quartiles

The non-implementation of agreed recommendations was an issue during 2024/25, with 44% of recommendations still be classed as partially implemented or outstanding following the second follow up review. Action was taken in 2024/25 with the introduction of the GAB and the MAG. These groups have been tasked with addressing all outstanding recommendations reported to them.

I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's governance, control and risk processes.

Based upon the results of the audit work undertaken during the year, taking into account the findings reported in 27 audit reports, 23 first follow-ups and 17 second follow ups, my opinion is that the Authority's control environment provides limited assurance that the significant risks facing the Authority are addressed. I am concerned that some fundamental and significant recommendations have not been fully implemented during the year. However, the recommendations made had been accepted by management and are in the sight of the Governance and Assurance Board (GAB) and the Members Assurance Group (MAG). The Governance and Assurance Board have full oversight of all fundamental and significant recommendations made by Internal Audit which have not been implemented at the

time a second follow up exercise has been undertaken. This process is highlighting areas where additional support is required across the Council and the Council is taking action to ensure all Internal Audit recommendations are addressed. Towards the end of the 2024/25 year, whilst a number of Limited Assurance reports were still being issued, the Internal Audit Team were starting to see an improvement on numbers of recommendations being addressed by the time the second follow up has been completed, thus fewer recommendations being reported as outstanding to the Governance and Assurance Board. This suggests that the work of the Governance and Assurance Board is positively contributing to the improvement of Governance across the Council.

## Appendix A

## Summary of audits completed during the year and total number of recommendations made.

Audit		Level of Assurance	Report Date	Total number of recs made	No of Fundamental recs made
	<b>Reports included in annual opinion for 2024/25</b>				
	<b>Bury Council</b>				
1	Business Rates, Billing, Collection, Reliefs	Limited	June 2024	8	1
2	Supporting Families	Limited	July 2024	5	2
3	Rent Collection from Commercial Tenants	Limited	August 2024	12	4
4	Payroll Key Controls 2023.24	Limited	August 2024	12	2
5	Main Accounting Key Controls 2023.24	Limited	August 2024	7	1
6	Council Tax Key Controls 2023.24	Substantial	August 2024	4	0
7	IT Asset Management	Limited	August 2024	10	9
8	Treasury Management Key Controls 2023.24	Substantial	October 2024	3	0
9	Fire Safety – Performance Data Quality	Substantial	October 2024	4	0
10	Council Properties Leased to Persona	Substantial	October 2024	1	0
11	CCTV	Full	November 2024	0	0
12	Income & Bank Key Controls 2023.24	Limited	November 2024	8	2
13	Section 106 Agreements	Moderate	December 2024	5	0
14	Libraries Income	Moderate	December 2024	6	0
15	The Derby High School	Limited	December 2024	23	6
16.	Gas Safety – Performance Data Quality	Substantial	December 2024	1	0
17	Direct Payments – Improvement Plan	Substantial	December 2024	1	0
18	Lowercroft Primary School	Limited	December 2024	11	1
19	Leisure Centres – Income System	Limited	January 2025	4	1
20	Housing – Disrepair Process	Limited	January 2025	6	1
21	Electrical Safety – Performance Data Quality	Moderate	January 2025	5	0
22	Software Licence Management	Limited	January 2025	4	4

23	Lift Safety – Performance Data Quality	Full	February 2025	0	0
24	St Margaret's C of E Primary School	Limited	March 2025	11	1
25	Chantlers Primary School	Moderate	March 2025	6	0
26	Housing Conditions – Damp, Mould & Condensation	Moderate	March 2025	7	0
	<b>Persona</b>				
27	Persona – Building Maintenance	Substantial	October 2024	1	0
	<b>Total</b>			<b>165</b>	<b>35</b>

## Appendix B

## Summary of First follow ups completed during the year.

		Assurance Level	Report Date	No of Fundamental / Significant Recs to be followed up	Recs Implemented	Recs Outstanding
	<b>Bury Council</b>					
1	Housing Rents Key Controls 2021.22	Substantial	April 2024	1	1	0
2	Payroll Key Controls 2021.22	Moderate	April 2024	5	2	3
3	Procurement of CBRE	Limited	May 2024	3	2	1
4	Fleet Management	Limited	May 2024	3	1	2
5	Housing Benefits Key Controls 2022.23	Substantial	May 2024	2	1	1
6	School & College Transport	Limited	July 2024	5	4	1
7	Creditors Invoice Fraud	Limited	July 2024	5	3	2
8	Housing – Right to Buy Process	Limited	August 2024	7	3	4
9	Building Stores	Limited	September 2024	11	2	9
10	Care Planning Permissions	Limited	October 2024	1	0	1
11	Independent Foster Agencies	Substantial	October 2024	1	1	0
12	Debtors Key Controls 2023.24	Limited	October 2024	7	2	5
13	Car Parking Income	Moderate	November 2024	3	3	0
14	Supporting Families	Limited	November 2024	5	5	0

15	St Andrews C of E Primary - Whistleblowing	None given	January 2025	6	6	0
16	Creditors Key Controls 2023.24	Moderate	January 2025	5	2	3
	<b>Six Town Housing</b>					
17	Disabled Adaptions	Limited	June 2024	4	3	1
18	Procurement	Moderate	June 2024	3	1	2
19	Whistleblowing Allegations	None given	June 2024	2	0	2
20	Invoice Processing	Moderate	July 2024	5	2	3
21	Arrears Prevention	Substantial	December 2024	2	1	1
	<b>Persona</b>					
22	Creditors	Moderate	August 2024	2	1	1
23	Debtors	Substantial	October 2024	2	1	1
	<b>Total</b>			<b>90</b>	<b>47</b>	<b>43</b>

## Appendix C

## Summary of Second Follow ups completed during the year.

		Report Date	Number of outstanding Recs from 1st Follow Up	Recs Implemented	Recs outstanding
	<b>Bury Council</b>				
1	Creditors Key Controls 2021.22	April 2024	1	0	1
2	Home Care Packages	June 2024	1	1	0
3	Payroll Key Controls 2021.22	July 2024	3	0	3
4	Housing Benefits Key Controls 2022.23	July 2024	1	0	1
5	Cash & Bank Key Controls 2021.22	August 2024	5	0	5
6	Fleet Management	August 2024	2	1	1
7	Procurement of CBRE	September 2024	1	0	1
8	Housing – Right to Buy Process	November 2024	4	3	1
9	Creditors Invoice Fraud	November 2024	2	2	0
10	School & College Transport	January 2025	1	1	0
11	Building Stores	January 2025	9	0	9
12	Housing – Arrears Prevention	February 2025	1	0	1
	<b>Six Town Housing</b>				
13	Invoice Processing	November 2024	3	1	2
14	Disabled Adaptions	January 2025	1	1	0
15	Procurement	January 2025	2	2	0
	<b>Persona</b>				
16	Creditors	November 2024	1	0	1
17	Debtors	January 2025	1	1	0
	<b>Total</b>		<b>39</b>	<b>13</b>	<b>26</b>





<b>Classification:</b> Open	<b>Decision Type:</b> N/a
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<b>Report to:</b>	Audit Committee	<b>Meeting Date:</b> 23 July 2025
<b>Subject:</b>	Corporate Risk Register	
<b>Report of</b>	Section 151 Officer	

## Summary

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

The Audit Committee are tasked with the responsibility of reviewing and scrutinising 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 up to **30<sup>th</sup> June 2025** 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.

Furthermore, this report provides the Audit Committee with an analysis of the 2024/2025 Corporate Risk Register to support their annual review of strategic risks and the approach taken to their management.

A total of **28** risks are present on the Corporate Risk Register and have been identified as those of a genuine corporate nature and are summarised as follows:

**17** risks are currently rated as Significant (risk score 15-25)

**10** risks are currently rated as High (risk score 8-12)

**1** risk is currently rated as Moderate (risk score 4-6)

- **1** has increased in score
- **1** has decreased in score
- **22** have remained static
- **4** have been newly introduced
- **3** are proposed for closure

## Recommendation(s)

1. Members note this report;
2. Approve the closure of CR3 – Security and Resilience, CR7 – Effect of ICB Establishment and Budget pressures and CR34 – Sure Maintenance Contract;
3. Note and approve the revised Risk Management Strategy

## Report Author and Contact Details:

Name: Louise Kirkman

Position: Risk Manager

Department: Fraud, Audit, Insurance & Risk

E-mail: riskmanagement@bury.gov.uk

## Background

This report provides an update on progress made in relation to the Corporate Risk Register as of 30 June 2025. It highlights the continued efforts to embed a strong risk management culture across the Council. Going forward, the full Register will be presented to the Audit Committee on an annual basis, with the next update scheduled for the December meeting. However, Appendix A reflects those risks on the Register that are new or have changed.

## Key Considerations

The work progressed during this reporting period 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 reflect the current and target risk profile in respect to those risks on the register:

### Current

Impact	5		3	3	6	4
	4	1		7	3	1
	3					
	2					
	1					
		1	2	3	4	5
		Likelihood				

### Target

Impact	5	1	6	4	1	
	4	1	8	5	1	
	3			1		
	2					
	1					
		1	2	3	4	5
		Likelihood				

## Community impact / Contribution to the Bury 2030 Strategy

Ensuring compliance with Financial Procedures and Policies

## 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 and Mitigation 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 Sector Internal Audit Standards (PSIAS) 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.

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**Background papers:**

- Appendix A Corporate Risk Register (for Risks that have changed or are new only)
- Appendix B Risk Management Strategy July 2025

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

Term	Meaning
CC	Corporate Core Department
CYP	Children and Young People's Department
H&C	Health & Care Department
PLC	Place Department

## 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 Council, collectively referred to as the Corporate Risk Register.
- 1.2. The report presents the risk position and status up to 30<sup>th</sup> June 2025 and is the first report for the current financial year.
- 1.3. Furthermore, the report provides an analysis of the 2024/2025 year in review with regard to strategic risks present on the Corporate Risk Register.

### 2. Background

- 2.1. The Executive Team have developed a risk register that captures events and circumstances which had the potential to disrupt the Council's ability to meet its strategic and operational objectives.
- 2.2. The Corporate Risk Register captures the Council's key strategic risks agreed by the Executive Team and categorised as warranting regular scrutiny to help the Council minimise future 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.
- 2.3. Assessment of each risk has been performed in accordance with the Risk Matrix, included within the Council's Risk Management Strategy.

### 3. Corporate Risk Register

- 3.1. The Corporate Risk Register captures risks identified as significant to delivery of the Council's key objectives, irrespective of their current scoring.
- 3.2. There are currently 28 risks on the Corporate Risk Register which have been reviewed or added by the Risk Owner during the last period and assessed to: update the progression of mitigating actions; consider the level of assurance provided by existing controls; and re-evaluate both the likelihood and impact, in order to determine whether the risk score should be increased, decreased or remain static.
- 3.3. Of the 28 risks, 18 (62%) are rated as significant:

No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)
28	0	1	10	17

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

Department	No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)
CC	15		1	5	9
CYP	4			1	3
H&C	5			2	3
PLC	4			2	3
<b>TOTAL</b>	<b>28</b>		<b>1</b>	<b>10</b>	<b>17</b>

3.5 In exercising their duty to scrutinise 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?

## 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, 1 risk has increased in score:

- **CR20 – Increasing Energy Prices**

### Risks that have decreased in score

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

- **CR34 – Sure Maintenance Contract** (*proposed for closure*)

### Risks that have remained static

4.4 During this reporting period, 22 risks have remained static:

- **CR1 – Financial Sustainability**
- **CR3 – Security and Resilience**
- **CR4 – Digital Transformation**
- **CR5 – Increasing Demand Pressures**
- **CR6 – Climate Change**
- **CR7 – ICB Implementation and Establishment** (*proposed for closure*)
- **CR9 – Workforce Skills and Capability**
- **CR11 – Building Management (Operational Health and Safety)**
- **CR12 – Children's Social Care Services**
- **CR13 – Regulatory Compliance**
- **CR15 – Regeneration and Development**
- **CR16 – SEND**
- **CR19 – Financial Capacity**
- **CR23 – Adult Social Care Reforms and CQC Inspection**
- **CR28 – Asylum and Immigration**
- **CR29 – RAAC**
- **CR30 – Staff Safety**
- **CR31 – Staff Wellbeing and Absence**
- **CR33 – Housing Services Transition**
- **CR35 – Insurance Cover**

- **CR36 – Project Safety Valve Agreement Delivery**
- **CR37 – Meeting Children’s needs better, Sooner and more cost effectively**

#### 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 **6** risks have reached their target level:
- **CR11 – Building Management** *(Target increased from a score of 15 to 20 at this review. To remain for oversight)*
  - **CR12 – Children’s Social Care Services** *(to remain for oversight)*
  - **CR13 – Regulatory Compliance** *(to remain for oversight)*
  - **CR23 – Adult Social Care Reforms and CQC Inspection** *(to remain for oversight)*
  - **CR31 – Staff Wellbeing and Absence** *(to remain for oversight)*
  - **CR34 – Sure Maintenance Contract** *(proposed for closure)*

#### New risks

- 4.7 During this reporting period **5** new risks have been added to the Corporate Risk Register:
- **CR38 - Destabilisation of Health and Care System**
  - **CR39 - Financial Pressures in NHS GM and Impact of NHS Structural Changes on Locality Working** *(following the closure of CR7)*
  - **CR40 – Community Tension and Global Conflicts** *(following the closure of CR3)*
  - **CR41 – Cyber Crime and Digital Threats** *(following the closure of CR3)*

### 5 Risks Presented for Closure

- 5.1 Since the last meeting of the Audit Committee, **3** risks have been identified as recommended for closure:

- **CR3 – Security and Resilience**
- **CR7 – ICB Implementation and Establishment**
- **CR34 – Sure Maintenance Contract**

#### 5.2 **CR3 – Security and Resilience**

This has been split into 2 new risks of **CR41 - Community Tensions and Global Conflicts** and **CR42 - Cyber Crime and Digital Threats** to separate the key potential impacts, mitigations and planned actions for each area, and to provide a clear and distinct audit trail.

#### 5.3 **CR7 - ICB Implementation and Establishment**

This risk encompasses both the establishment of the Integrated Care Board (ICB) and the financial pressures it faces. The aspect relating to the ICB’s formation has now been superseded by a newly identified risk concerning NHS structural changes. Specifically, there is a potential threat to place-based working, arising from proposed substantial reductions in the ICB’s running costs.

- 5.4 However, the financial risk associated with the ICB’s current position remains significant. There are considerable financial pressures within both the ICB and NHS providers, which could have downstream impacts on local authority services, particularly in adult social care and children’s services, through

increased demand and associated costs.

- 5.5 Due to the change to this risk and to provide a clear and distinct audit trail, CR7 has been closed, with new risks of **CR38 - Destabilisation of Health and Care System** and **CR39 - Financial Pressures in NHS GM and Impact of NHS Structural Changes on Locality Working** being introduced.

5.6 **CR34 – Sure Maintenance Contract**

The risk has been mitigated, and target score reached.

## 6 Deep Dives

- 6.1 At the previous meeting, the Audit Committee did not request a Deep Dive report for any corporate risks.
- 6.2 If the Audit Committee require further discussion and closer scrutiny of specific risks, they are requested to select up to two risks from the open risks captured on the Corporate Risk Register, for Deep Dive analysis at their subsequent meeting.

## 7 Risk Management Strategy

- 7.1 Since June 2020, significant work has been undertaken to implement a robust approach to risk management across Bury Council, commencing with the introduction of a framework that was rolled out across all directorates. This was later supplemented with information and guidance sessions department by department to further embed a culture of dynamic risk identification and proactive management.
- 7.2 Risk Owners moved toward a comfortable rhythm of analysing risks due for review in the relevant reporting month and including risk as a standing item on departmental team meetings.
- 7.3 Following the appointment of a Risk Manager in March 2023, risk management has remained an effective and integral part of the Council's governance and decision-making arrangements. A positive risk management culture within Bury continues to be promoted, along with implementing the risk management framework and approach, and continuing with the development of an effective infrastructure for managing and reporting risk across the Council.
- 7.4 The Council and Risk Manager are keen to further improve their approach to risk management in order to mitigate any potential factors that will affect the Council's objectives, and the Risk Management Strategy was reviewed and approved in July 2024 in order to support this.
- 7.5 The Strategy has been reviewed by the Risk Manager, reviewed and approved by the Executive Leadership Team and is presented at Appendix B for your approval.
- 7.6 There are no substantial changes to the Strategy, aside from minor adjustments in wording.
- 7.7 The key points of the Strategy are as follows:
1. The Aim, which sets out how risk management is seen as a key element in the successful achievement of Council's priorities and that it is also an essential dimension of the Corporate Plan
  2. How effective risk management has a number of benefits
  3. The roles and responsibilities of Officers
  4. Risk and risk management definitions
  5. A toolkit of identifying, analysing, prioritising, managing, monitoring and reporting of risk



## 8 Year in Review

- 8.1 This section of the report provides an analysis of the management of the risks present on the Corporate Risk Register during the financial year 2024/2025.

### Risk scoring at each Audit Committee

- 8.2 During the course of 2024/2025, an average number of 24 risks have been recorded each quarter on the Corporate Risk Register. Each event has been identified by the Executive Team as having the potential to adversely impact the Council's strategic objectives.
- 8.3 Over this period, an average of 65% of these risks have been scored as Significant.
- 8.4 Qualitatively, this implies a likelihood of "likely to almost certain" and an impact of "high to severe".

Audit Committee Date	No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)	% of Risks scored (15-25)
25/7/24	23	0	1	8	14	61%
29/10/24	24	0	0	8	16	67%
11/02/25	23	0	0	7	16	70%
8/4/25	25	0	1	9	15	60%
2023/24 average	24	0	1	8	15	65%

### Risks closed during the financial year

- 8.5 The risks included in the table below were approved for closure by the Audit Committee as a result of successful execution of mitigating actions and implementation of robust controls, demonstrating adequate assurance that the risk no longer posed a threat to the Council's key objectives.

Risk	Key Potential Impact	Risk Score	Target Risk Score	Date Closed
CR32 General Election	Failure to effectively implement the Election	12	8	October 2024

### Risks closed and redefined during the financial year
















- 8.6
- **CR21 – Project Safety Valve**  
Reintroduced as CR36 – Project Safety Valve Agreement Delivery.













### New Risks added during the financial year

- 8.7
- **CR33 – Housing Services Transition**
  - **CR34 – Sure Maintenance Contract**
  - **CR35 – Insurance Cover**
  - **CR36 – Project Safety Valve Agreement Delivery**
  - **CR37 – Meeting Children's needs better, sooner and more cost effectively**

### Risks monitored throughout the financial year

8.8 The table below provides an annual profile of each risks' score at every Audit Committee meeting review.

Risk	Year End Score	Risk Score				Target Risk Score	Annual Profile
		Jul '24	Oct '24	Feb '25	Apr '25		
CR1 Financial Sustainability	25	25	25	25	25	10	
CR3 Security and Resilience	20	20	20	20	20	10	
CR4 Digital Transformation	12	12	12	12	12	8	
CR5 Increasing Demand Pressures	15	15	15	15	15	12	
CR6 Climate Change	20	20	20	20	16	12	
CR7 ICS Implementation and Establishment	12	12	12	12	12	8	
CR9 Workforce Skills and Capability	20	20	20	20	20	15	
CR11 Building Management (Operational Health and Safety)	20	20	20	20	20	20	
CR12 Children's Social Care Services	10	10	10	10	10	10	
CR13 Regulatory Compliance	12	12	12	12	12	12	
CR15 Regeneration and Development	25	25	25	25	25	15	
CR16 Special Educational Needs and Disabilities	25	25	25	25	25	10	
CR19 Financial Capacity	20	20	20	20	20	8	
CR20 Increasing Energy Prices	8	8	8	8	8	8	
CR21 Project Safety Valve	25	25	25	15	15	10	

CR23 Adult Social Care Reform	10	10	10	10	10	12	
CR25 Housing Conditions	9	6	-	-	-	6	
CR28 Asylum and Immigration	25	20	20	20	20	15	
CR29 Reinforced Autoclaved Aerated Concrete (RAAC)	15	15	15	15	10	5	
CR30 Staff Safety	16	12	16	16	16	8	
CR31 Staff Wellbeing and Absence	16	16	16	16	12	12	
CR32 General Election	12	12	12	-	-	8	
CR33 Housing Services Transition	-	15	15	12	12	10	
CR34 Sure Maintenance Contract	-	-	10	10	5	4	
CR35 Insurance Cover	-	-	15	15	15	10	
CR36 Project Safety Valve Agreement Delivery	-	-	-	-	15	10	
CR37 Meeting Children's needs better, sooner and more cost effectively	-	-	-	-	20	16	



## Appendix A – Corporate Risk Register

This Register reflects those risks that are new, decreased, increased or proposed for closure only:

Risk No	Risk Title	Trend
CR20	Increasing Energy Prices	Increased
CR3	Security and Resilience	Proposed for Closure
CR7	Effect of ICB Establishment and Budget pressures	Proposed for Closure
CR34	Sure Maintenance Contract	Decreased / Proposed for Closure
CR38	Destabilisation of Health and Care System	New
CR39	Financial Pressures in NHS GM and Impact of NHS Structural Changes on Locality Working	New (following closure of CR7)
CR40	Community Tension and Global Conflicts	New (following closure of CR3)
CR41	Cyber Crime and Digital Threats	New (following closure of CR3)

The full Register will be presented at the meeting in December 2025.

Risk Ref.	Risk Title Risk Description	Inherent Score			Previous Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR20	<b>Increasing Energy Prices</b>  Rising energy prices pose a significant financial risk to local governments, leading to higher operational costs for public buildings, infrastructure, and services. This may strain budgets, reduce funding for other essential services, and increase the cost of public utilities.												
		5	4	20	2	4	8	3	4	12	2	4	8

<b>Risk Owner</b>	P. Lakin
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<b>Responsible Officer</b>	<b>Risk Action Status</b>	<b>Trend</b>	<b>Next Risk Review Date</b>
P. Lakin	Some slippage	Increased	Sept 2025

Key Potential Impacts	Current Controls	Planned Actions
<ul style="list-style-type: none"> <li>As a result of global increases in energy prices Bury Council has seen significant increases in energy costs since 2021 (approximately £3.5 million).</li> <li>Projected energy prices in 25/26 currently showing reduced costs - impact on budgets currently being assessed.</li> <li>A forecast has been produced that shows a reduction of ~£2.673m in 24/25.</li> </ul>	<ul style="list-style-type: none"> <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. PMH</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Street lighting LED replacement programme approved as a further savings option for delivery during 2023/24 and 2024/25.</li> <li>Building/Estate Rationalisation Programme - reviews currently taking place.</li> </ul>

	<ul style="list-style-type: none"> <li>• Regular updates provided to Exec Team and to Schools in relation to costs.</li> <li>• Newly developed mandatory Carbon Literacy Training module available for staff and now mandatory.</li> <li>• Streetlighting LED replacement programme remains underway.</li> <li>• New water supply contract procured and commenced on 01/11/23. This includes schools, all corporate buildings and selected 3rd party organisations.</li> <li>• Work had commenced on a new Gas Supply Contract renewal which is due to go live in Apr 25. JK</li> <li>• Feasibility study being undertaken to identify potential solar farms across the borough.</li> <li>• A deep dive report was submitted for the Audit committee in December 23.</li> </ul>	<ul style="list-style-type: none"> <li>• Centralising energy budgets across the Council to be managed by the Energy Team going forward.</li> <li>• Further energy saving opportunities being investigated.</li> <li>• Feasibility studies being carried out on 23 corporate buildings for potential solar PV opportunities.</li> <li>• Feasibility study currently underway to evaluate a heat network in Bury Town Centre to secure stable energy costs in the future. Study findings due to be produced in April 2025.</li> <li>• Cabinet Report for solar photovoltaic project to be resubmitted following estate evaluation in line with Bradley Fold regeneration plans</li> </ul> <p>Backlog maintenance / Town Hall Refurbishment plans to address outdates MEP services.</p> <p>Engagement with The MET to address energy and capital costs associated with this operation.</p> <ul style="list-style-type: none"> <li>• In year actual and forecast modelling to provide accurate current projected reduction</li> </ul>
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Risk Ref.	Risk Title Risk Description	Inherent Score			Previous Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR3	<b>Security and Resilience</b>  Security and resilience risks in local government involve the potential for disruptions from cyberattacks, natural disasters, or other emergencies that threaten public safety, critical infrastructure, and essential services. Insufficient preparedness, weak cybersecurity, and inadequate disaster response plans can hinder the government's ability to protect assets and recover quickly from crises, leading to service outages, financial loss, and public trust erosion												
		5	5	25	4	5	20	4	5	20	2	5	10

<b>Risk Owner</b>	K. Waterhouse
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<b>Responsible Officer</b>	<b>Risk Action Status</b>	<b>Trend</b>	<b>Next Risk Review Date</b>
K. Waterhouse	On target	Static	N/a – Proposed for Closure

<b>Key Potential Impacts</b>	<b>Current Controls</b>	<b>Planned Actions</b>
<ul style="list-style-type: none"> <li>National threat level remains at SUBSTANTIAL (unchanged since Feb 2022)</li> <li>Ongoing national threat from terrorism due to potential resurgence of terrorist activity and radicalisation of vulnerable members of community.</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</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> </ul>



<ul style="list-style-type: none"> <li>• Monitoring national and local threat level due to conflict in the Middle East.</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>• Community tensions and potential disturbances</li> </ul>	<p>accreditation renewed annually for the Council.</p> <ul style="list-style-type: none"> <li>• Member Safety Guidance recirculated in January 2024 and individual member risk assessment completed as required.</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. All recommend actions have now been completed.</li> <li>• Managed Security contract in place from July 2022</li> <li>• Leadership readiness regarding community tensions, with all Business Continuity Plans and risk assessments updated.</li> <li>• PSN submitted for renewal.</li> <li>• Creation of ISO27001 level documentation.</li> <li>• Introduction of Zabbix for heightened network monitoring</li> <li>• Decommission of old Citrix environment</li> <li>• 2FA implemented across the estate</li> <li>• External warning message added to emails to reduce risk of phishing attack</li> <li>• Started Security Centre Joint Agreement with Salford Council</li> <li>• Attained a 15k grant for meeting the CAF requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Cyber Essentials accreditation for the Council to be achieved</li> <li>• Cyber security simulation exercises</li> </ul>
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				• Additional Security Tools added through Salford Arrangements											
Risk Ref.	Risk Title Risk Description			Inherent Score			Previous Score			Current Score			Target Score		
CR7	<b>Effect of ICB Establishment and Budget pressures</b>  NHS GM is the Integrated Care Board for GM, established in July 2022 and incorporating the 10 CCGs in GM. During its implementation and establishment, as a large and complex transition process, there is a risk that there is a loss of focus on local transformation and reform of health and care services in the borough, particularly in the light of significant financial pressures 24/25 and 25/26. In addition the future of NHS GM is uncertain following national announcement in March 2025 and this may create further risk to local partnership.			Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
				4	5	20	3	4	12	3	4	12	2	4	8

<b>Risk Owner</b>	W. Blandamer
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<b>Responsible Officer</b>	<b>Risk Action Status</b>	<b>Trend</b>	<b>Next Risk Review Date</b>
W. Blandamer	On target	Static	N/a – Proposed for Closure

<b>Key Potential Impacts</b>	<b>Current Controls</b>	<b>Planned Actions</b>
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<ul style="list-style-type: none"> <li>• The potential impact is a loss of locality focus and partnership working, the loss of more local autonomy in decision making relating to NHS spend, and the consequent loss of locally sensitive decision making relating to local priorities. There is also a risk to the quality of local partnership working that is important in driving transformation of the whole and interdependent Bury health and care system.</li> <li>• In addition the period 2024/25 and predicted 25/26 financial position of the ICB is very challenged and there is a risk of withdrawal of services or funding opportunities that currently support demand management or support key integrated service delivery.</li> <li>• In addition there is from March 2025 doubt on the future role, capacity and operating model of NHS GM with associated risks of lost capacity, lost focus, and reduction in locality prioritisation.</li> </ul>	<ul style="list-style-type: none"> <li>• Working with colleagues across the GM system to ensure the GM ICS operating model creates the conditions for our continued placed based transformation, and NCA footprint partners to continue to advocate for the place based approach. Maintaining the effective operation of the Bury Integrated Care Partnership comprising the operation of the Locality Board (with Leader as Joint Chair) and the Integrated Delivery Board (chaired by the Exec Director for health and care) and full council participation and influence in the range of sub committees associated with different aspects of the partnership eg urgent care, mental health. Ensure the full influence of the Council on the work of the ICB including the fact that the Council Chief Executive is also the NHS GM Place lead for Bury and the Exec Director for Health and Care is also the Deputy Place Lead, and the DASS is also the Led for community and primary care commissioning.</li> <li>• In relation to the budget pressures the Locality Board routinely reviews the financial performance of all partners in the Bury Integrated Care Partnership and the integrated delivery board reviews risks and opportunities for the system to mitigate individual organisational budget pressure</li> </ul>	<ul style="list-style-type: none"> <li>• Work with GM partners as GM operating model further matures and developed.</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> <li>• Locality formalisation agreed at Cabinet and Council and Locality Board and submitted to NHS GM Board for final approval.</li> </ul>
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			• Issues and risks escalated to Integration Delivery Collaborative Board and to Locality Board and where necessary to the Executive Committee of the ICB											
Risk Ref.	Risk Title Risk Description		Inherent Score			Previous Score			Current Score			Target Score		
CR34	<b>Sure Maintenance Contract</b>  Sure Maintenance are the only gas contractor for Housing Services. They are responsible for all Statutory Servicing and Maintenance for gas in our Council owned residential properties.  Sure Maintenance have begun a restructure and since August, service has declined significantly and we have now put them under an improvement plan due to data showing that customer service was in decline and the number of properties without appointments for servicing has increased substantially. This would put us at risk of not meeting our statutory duties.		Likelihood	Impact	Total Score (Lxl)	Likelihood	Impact	Total Score (Lxl)	Likelihood	Impact	Total Score (Lxl)	Likelihood	Impact	Total Score (Lxl)
			4	5	20	1	5	5	1	4	4	1	4	4

<b>Risk Owner</b>	K. Waterhouse
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<b>Responsible Officer</b>	<b>Risk Action Status</b>	<b>Trend</b>	<b>Next Risk Review Date</b>
G. Basterfield	On target	Decreased	N/a – Proposed for Closure

Key Potential Impacts	Current Controls	Planned Actions
<ul style="list-style-type: none"> <li>• Failure of contract</li> <li>• Non delivery of statutory gas servicing programme</li> <li>• Non-compliance leading to maladministration from Ombudsman and/or the Regulator for Social Housing</li> <li>• Repairs not carried out or not carried out to a good standard leaving dangerous situations or tenants without heating or hot water</li> <li>• Risk to life, property and/or health in the event repairs not carried out in good time</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement Plan being monitored for progress</li> <li>• 10% audit of all servicing and 5% in gas repairs carried out by 3rd party auditor</li> <li>• Daily monitoring of properties becoming due and appointments with increased support from Housing Management teams to support access</li> <li>• Disaster Recovery in place outlining immediate options in the event of contract failure outlining Options Appraisal for all options considered</li> </ul>	None

Risk Ref.	Risk Title Risk Description	Inherent Score			Previous Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR38	<b>Destabilisation of Health and Care System</b>  Potential destabilisation of the health and care system due to the ongoing NHS Greater Manchester restructure and proposed workforce reductions (potentially up to 39%), with significant implications for the Council's ability to deliver integrated services and maintain effective partnerships												
		4	4	16	-	-	-	4	4	16	3	3	9

<b>Risk Owner</b>	W. Blandamer
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Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
W. Blandamer	-	New	Sept 2025

Key Potential Impacts	Current Controls	Planned Actions
<ul style="list-style-type: none"> <li>• Potential increasing demand for council care services.</li> <li>• Risk to the effective operation of statutory partnerships involving the Council and NHS GM, such as safeguarding boards and the SEND partnership.</li> </ul>	<ul style="list-style-type: none"> <li>• Active participation in the development and design of the new NHS Greater Manchester operating model.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued advocacy for the value of place-based partnership.</li> <li>• Ongoing engagement with NHS GM to influence and shape the restructure in a way that supports local service delivery and statutory responsibilities.</li> </ul>

Risk Ref.	Risk Title Risk Description	Inherent Score			Previous Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR39	<b>Financial Pressures in NHS GM and Impact of NHS Structural Changes on Locality Working</b>												
	<p>There is a significant financial risk within NHS Greater Manchester (GM) and its provider organisations, which may impact the delivery of services that support demand management and integrated care. This financial pressure could lead to increased demand and costs for council services, particularly in adult social care and children's services.</p> <p>In addition, the proposed structural changes to the NHS, including significant reductions in ICB running costs announced in March 2025, pose a risk to the sustainability of place-based working. These changes may reduce local capacity, focus, and autonomy in decision-making, potentially undermining the effectiveness of the Bury Integrated Care Partnership and its ability to deliver transformation aligned with local priorities</p>	4	5	20	-	-	-	4	5	20	2	4	8

<b>Risk Owner</b>	W. Blandamer
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Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
W. Blandamer	-	New	Sept 2025

Key Potential Impacts	Current Controls	Planned Actions
<ul style="list-style-type: none"> <li>• Increased pressure on council services due to reduced NHS funding and service withdrawal.</li> <li>• Loss of local influence and autonomy in health and care decision-making.</li> <li>• Disruption to integrated service delivery and transformation efforts.</li> <li>• Reduced effectiveness of local partnerships and governance structures.</li> </ul>	<ul style="list-style-type: none"> <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. Maintaining the effective operation of the Bury Integrated Care Partnership comprising the operation of the Locality Board (with Leader as Joint Chair) and the Integrated Delivery Board (chaired by the Exec Director for health and care) and full council participation and influence in the range of sub committees associated with different aspects of the partnership eg urgent care, mental health. Ensure the full influence of the Council on the work of the ICB including the fact that the Council Chief Executive is also the NHS GM Place lead for Bury and the Exec Director for Health and Care is also the Deputy Place Lead, and the DASS is also the Led for community and primary care commissioning.</li> <li>• In relation to the budget pressures the Locality Board routinely reviews the financial performance of all partners in the</li> </ul>	<ul style="list-style-type: none"> <li>• Increased pressure on council services due to reduced NHS funding and service withdrawal.</li> <li>• Loss of local influence and autonomy in health and care decision-making.</li> <li>• Disruption to integrated service delivery and transformation efforts.</li> <li>• Reduced effectiveness of local partnerships and governance structures.</li> </ul>



	<p>Bury Integrated Care Partnership and the integrated delivery board reviews risks and opportunities for the system to mitigate individual organisational budget pressure</p> <ul style="list-style-type: none"> <li>• Issues and risks escalated to Integration Delivery Collaborative Board and to Locality Board and where necessary to the Executive Committee of the ICB</li> </ul>	
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Risk Ref.	Risk Title Risk Description	Inherent Score			Previous Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR40	<b>Community Tension and Global Conflicts</b>  There is a risk of increased community tension and reduced cohesion due to the influence of international, national, and local conflicts. These tensions may arise from geopolitical instability, terrorism threats, or radicalisation, potentially leading to public safety concerns, civil unrest, and erosion of trust in local governance.												
		4	4	16	-	-	-	3	4	12	2	4	8

<b>Risk Owner</b>	K. Waterhouse
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<b>Responsible Officer</b>	<b>Risk Action Status</b>	<b>Trend</b>	<b>Next Risk Review Date</b>
C. Woodhouse	-	New	Sept 2025

<b>Key Potential Impacts</b>	<b>Current Controls</b>	<b>Planned Actions</b>
<ul style="list-style-type: none"> <li>National threat level remains at SUBSTANTIAL (unchanged since Feb 2022)</li> <li>Ongoing national threat from terrorism due to potential resurgence of terrorist activity</li> </ul>	<ul style="list-style-type: none"> <li>Weekly tension monitoring in partnership with GMP</li> <li>Tri-Borough and Force wide Operation WILDFLOWER community impact</li> </ul>	<ul style="list-style-type: none"> <li>Partnership promotion of cohesion related events and activities including Collabor8; Bury Mela; Queerfest; community stage at Glaston-Bury</li> </ul>

<p>and radicalisation of vulnerable members of communities</p> <ul style="list-style-type: none"> <li>• Potential for increased caseload in Prevent/Channel Panel due to change in national policy on obsession with violence with no fixed ideologies</li> <li>• Spread of mis/disinformation, particularly following tragic events in Southport, with potential to raise concern and stoke perceived grievances.</li> <li>• Risk of hate incidents and hate crimes experienced by local communities as a response to international conflict, particularly in relation to the ongoing conflict in Gaza and impact for local Jewish and Muslim communities in particular.</li> </ul>	<p>meetings including Community Security Trust and Shomrim</p> <ul style="list-style-type: none"> <li>• Routine meetings of Bury Prevent Partnership (with positive 2025 benchmarking) and monthly Channel Panel</li> <li>• Promotion of Hate Crime Awareness information including on the back of refreshed GM Hate Crime Strategy; itself referenced in refreshed Bury CSP plan which includes a priority on safeguarding cohesive communities</li> <li>• Microaggression and disinformation training delivered.</li> <li>• Cohesion Roundtable activity and specific listening circles to increase local insight of tensions</li> <li>• More proactive engagement prior and during key inclusion dates, particularly overlap of Purim and Ramadan.</li> <li>• Fortnightly review through Communities &amp; Inclusion portfolio</li> </ul>	<ul style="list-style-type: none"> <li>• Bury Faith and Belief Covenant steering group to be established to run alongside Bury</li> <li>• Co-production of Bury Hate Crime strategy as localised version of GM strategy.</li> <li>• Involvement of Bury in Co-operative Council Innovation Network Policy Lab on faith, young people, resilience and misinformation with the Greater Manchester Combined Authority</li> </ul>
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Risk Ref.	Risk Title Risk Description	Inherent Score			Previous Score			Current Score			Target Score		
		Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)	Likelihood	Impact	Total Score (LxI)
CR41	<b>Cyber Crime and Digital Threats</b>  There is a persistent risk of cyber crime targeting the council's digital infrastructure. While this is influenced by global political instability, it also represents a general and ongoing threat to all organisations. Potential impacts include data breaches, service disruption, and financial loss.	5	5	25	-	-	-	5	5	25	5	3	15

<b>Risk Owner</b>	K. Waterhouse
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<b>Responsible Officer</b>	<b>Risk Action Status</b>	<b>Trend</b>	<b>Next Risk Review Date</b>
A.Carter	-	New	Sept 2025

Key Potential Impacts	Current Controls	Planned Actions
<ul style="list-style-type: none"> <li>• Crisis in Ukraine following the Russian invasion is also leading to increased risk of cyber attack</li> <li>• Further conflict in the Middle East adding to global tensions</li> </ul>	<ul style="list-style-type: none"> <li>• PCN accreditation renewed annually for the Council</li> <li>• Local Government Assessment Cyber Toolkit implemented</li> <li>• Support from LGA and DLUHC now approved to develop Cyber Treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Further training and investment in cyber security to be progressed against IG Action Plan timeframes</li> <li>• Cyber security simulation exercises</li> <li>• Additional Capital funding to be approved to create additional resilience</li> </ul>

<ul style="list-style-type: none"> <li>• External threat to data and systems potentially impacting system functionality/causing a data breach</li> </ul>	<p>Plan. All recommend actions have now been completed</p> <ul style="list-style-type: none"> <li>• Managed Security contract in place with Salford City Council</li> <li>• Creation of ISO27001 level documentation</li> <li>• Introduction of Zabbix for heightened network monitoring</li> <li>• 2FA implemented across the estate, strengthened access and password arrangements</li> <li>• External warning message added to emails to reduce risk of phishing attack</li> </ul>	<p>to data centre and business continuity arrangements</p>
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# Risk Management Strategy

## Document Control

Title	Risk Management Strategy
Document Type	
Author	FAIR Team
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Review Date	

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## 1. Aim

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- 1.1. The Council provides a diverse range of services and this work is guided by its core priorities from its Corporate Plan, which are defined as:
- **Sustainable Inclusive Growth**
  - **Improving Children's Lives**
  - **Tackling Inequalities**
- 1.2. Risk management is seen as a key element in the successful achievement of the Council's priorities and it is an essential dimension of the Council's Corporate Plan. Effective risk management has a number of benefits:
- It contributes to better decision making and to the process of achieving ambitions and priorities.
  - It provides assurance to Members and management on the adequacy of arrangements for the conduct of business and the use of resources.
  - It leads to greater risk awareness and an improved control environment, which should also lead to tangible and financial benefits, enhanced reputation and better outcomes for our residents.
- 1.3. In providing its services, the Council recognises that it has a statutory and moral duty of care towards its clients, its employees and visitors to the Borough, and for the assets that it owns. It also recognises the importance of protecting and preserving its ability to continue to provide the services.
- 1.4. The Council understands that some risks will always exist, but it will take all steps to ensure that it mitigates such risk, whilst at the same time ensuring that the services it provides are maintained. The Council will reduce the possibility of injury and loss or damage by anticipating and controlling the exposure to risk.
- 1.5. Losses are often measured in monetary terms but they can also occur in other areas. However, also understanding the breadth of hazards that the Council faces will help managers to identify the potential risks attached to providing a service and prevent the provision of an unsatisfactory service.
- 1.6. Such hazards and associated risks can be strategic or operational; the categories of risk as provided on page 12 are neither prescriptive nor exhaustive. However, they provide a framework for identifying and categorising a broad range of hazards and risks facing each service.
- 1.7. These various categories cannot be considered in isolation. For example, the *physical risks* associated with the security of a Council building can have *professional* consequences for staff fulfilling their day-to-day duties and *financial* consequences for the organisation as a whole. Therefore the Council will consider the risks associated with each of the sub-categories and their inter-relationships as part of the risk assessment process.

## 2. Scope

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- 2.1. Managing risks is a core responsibility of every manager in close liaison with elected Members and executive directors. Corporate risk assessments (risk registers) will be undertaken as part of the community, corporate and service planning process and as a key element of service reviews.
- 2.2. The Council recognises the importance of developing the use of risk management in its dealings with 3rd parties such as partnerships, contracts and major procurements and it will use risk management to mitigate risks whilst exploring the opportunities that these arrangements can make to the achievement of ambitions and priorities.
- 2.3. Finally, the Council accepts that Insurance can only be a partial answer to reducing the financial impact of risk and that the Council may not be able to obtain Insurance cover for the majority of its exposure.

### 3. Risk Management Definition and Objective

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3.1. The Council defines risk as:

#### **RISK**

The chance of something happening that will have an impact on the achievement of the Council's objectives, mission, ambition or priorities.

3.2. and risk management as:

#### **RISK MANAGEMENT**

A planned and systematic approach to the identification, measurement, analysis, assessment, control and subsequent monitoring of risks which could have an impact on the existence, the assets, the earnings or the personnel of the organisation and the services it provides.

- 3.3. Risk management is not simply a compliance issue, but rather it is a way of viewing its operations with a significant impact on its short or long-term viability and that risk management helps to demonstrate openness, integrity and accountability in all of the Council's activities.
- 3.4. In defining risk, a risk can also be the failure to take advantage of opportunities to optimise the achievement of its ambitions and/or priorities. The Council will also pro-actively consider positive risks (opportunities) as well as negative risks (threats).
- 3.5. In addressing risk and risk management the Council will:
- develop and maintain robust systems for identifying and evaluating all significant risks and in doing so will involve the proactive participation of all those associated with planning and delivering services.
  - put in place and maintain effective risk management systems, including systems of internal control and an internal audit function. These arrangements will aim to ensure compliance with all applicable statutes, regulations and relevant statements of best practice and to ensure that public funds are properly safeguarded and are used

economically, efficiently and effectively, and in accordance with the statutory and other authorities that govern their use.

- embed risk management into service and financial planning processes by taking account of risk assessments within the Corporate Plan, linking budgets to risk assessments of material items of income and expenditure, using risk management techniques to inform budget and performance monitoring, and basing its reserves policy on a thorough understanding of the risks that it faces.
- put in place effective arrangements for an objective review of the effectiveness of risk management and internal control.

3.6. Assurance mapping is an essential factor for effective risk management in Bury Council, focussing on three key lines of defence:



**1<sup>st</sup> line of defence:** management is responsible for maintaining effective internal controls for the identification, assessment and mitigation of risk. Clear lines of responsibility / ownership should be in place, along with clear and accessible risk reporting and communication lines, up to date policies, procedures, guidance and training material.

**2<sup>nd</sup> line of defence:** supports management to help ensure that risks and controls are effectively managed.

**3<sup>rd</sup> line of defence:** Internal Audit's main roles are to ensure that the first two lines of defence are operating effectively and advise how they could be improved. They develop and then deliver a programme of internal audits to provide independent reasonable assurance to senior management and members that significant risks are being addressed.

#### 4. Roles and responsibilities

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- 4.1. Risk management must be part of every manager's day to day work and they should be involved in the risk management process, applying it to the functions for which they are responsible.
- 4.2. All employees must understand their role in the process, why they should be concerned with risk, and how they can play a part in promoting risk management within the council.
- 4.3. With the support of the Risk Manager, managers should:
  - Ensure that risk management remains an effective and integral part of the Council's governance and decision-making arrangements.
  - Promote a positive risk management culture and reinforce the importance of effective risk management as part of everyone's role.
  - Implement the risk management framework and approach, and continue to develop an effective infrastructure for managing and reporting risk across the Council.
  - Clearly identify objectives, roles and responsibilities for managing risk.
  - Improve co-ordination of risk management activity throughout the Council.
  - Reduce duplication and enhance consistency between departments in managing overlapping risks.
  - Provide opportunities for shared learning on risk management across the Council.
  - Enhance the risk-taking attitude of all staff in a managed, transparent and coherent way.
  - Recognise the need to include "partnership working" and that partner organisations will have different aims, objectives and management of risk, therefore joint working and shared registers are essential.

#### Key Roles

- 4.4. Identifying and allocating the roles and responsibilities for risk management is essential if the Risk Management Strategy is to be developed, implemented and reviewed effectively.
- 4.5. It is recognised that the three lines of defence provide the most effective and robust assurance framework for risk management.
- 4.6. It is vital that involvement and responsibility is clear at operational level, that there are clear lines of communication to enable effective management oversight of risk activity across the Council and that there is independent scrutiny of working practices taking place with clear reporting lines through to management and governing bodies.

4.7. The allocation of key roles and responsibilities is as follows:

#### **4.7.1. Executive Leadership Team**

Role:

- to ensure that the Council manages risk effectively and achieves effective risk management through the development of an all-encompassing Risk Management Strategy
- to ensure that risk management and its implementation and effective delivery across the whole Council receives a high profile, is supported and driven from the top.

Responsibilities:

- to gain an understanding of risk management and its benefits.
- to support the corporate Risk Management Strategy.
- to promote and oversee its implementation across the Council.
- to monitor and review its effectiveness.
- to determine and allocate any inputs and resources required to support the work corporately.
- to promote a 'risk aware' culture throughout the Council.
- to make arrangements for embedding risk management into the Council's business processes and throughout individual Departments.
- to assess the wider/cross cutting implications of strategic Departmental risk assessments.
- to monitor the implementation and effectiveness of Corporate Risk Management Plans, with the specific duty to reduce the impact of the highest risks.
- to provide corporate risk assurance to elected Members at each Audit Committee meeting.

#### **4.7.2. Senior Leadership Group**

Role:

- to ensure that risk is managed effectively in each departmental and service area within the agreed Strategy.

Responsibilities:

- to identify any departmental and service specific issues relating to risk management which have not been explicitly addressed in the corporate Policy or Strategy.
- to ensure that the Strategy is implemented effectively across the relevant services.
- to undertake strategic Departmental risk assessments and prepare, and monitor the effectiveness and implementation of risk management plans.
- to oversee the preparation of operational risk assessments (risk registers) within individual service areas.
- to promote a 'risk aware' culture throughout the Department.
- to make arrangements for embedding risk management into the Department's business processes.
- to negotiate departmental budget requirements for risk control projects.
- to liaise as appropriate with external agencies in identifying and managing risk.

- to disseminate the detail of the Strategy and allocate responsibilities for implementation to service managers and staff.
- to establish the training requirements of managers and staff with responsibility for Strategy implementation, and communicate the needs to the Risk Manager who will ensure that adequate training and support is delivered.
- to work with the corporate Insurance Team in assessing departmental insurance requirements.

The Senior Leadership Group should identify a senior officer within the department to act as Risk Management Champion. With the support of the Risk Manager, this individual will co-ordinate the department's overall approach to risk management and ensure risks are effectively identified and documented.

#### **4.7.3. Operational Managers**

Role:

- to share experience on risk, risk management and strategy implementation across the Council.

Responsibilities:

- to identify areas of risk that impact on all services.
- to identify areas of risk that overlap various services.
- to share good practice on all aspects of risk management.
- to monitor the implementation and effectiveness of departmental and service risk management plans.
- to promote sound risk management practices within services.
- to assist in the promotion of a 'risk aware' culture and in embedding risk management within services.
- to support the development of the Risk Management Strategy.

#### **4.7.4. Service Managers**

Role:

- to manage risk effectively in their particular service areas.

Responsibilities:

- to implement the detail of the Risk Management Strategy.
- to recommend the necessary training for employees in risk management and communicate this to the Risk Manager who will ensure adequate support is provided.
- to undertake operational risk assessments and to maintain a risk management portfolio (risk register) for their service area(s).
- to share relevant information with colleagues in other service areas.
- to feedback on their experience of strategy implementation and perceptions of strategy effectiveness to the departmental management team.

#### **4.7.5. Risk Manager**

**Role:**

- Shape and lead developments in Risk across the organisation, ensuring that risk management remains an effective and integral part of the Council's governance and decision-making arrangements.

**Responsibilities:**

- Promote a positive risk management culture within Bury, implementing the risk management framework and approach, and continuing to develop an effective infrastructure for managing and reporting risk across the Council.
- Ensure the effective implementation and development of the Risk Management Strategy, in agreement with the Head of Fraud, Audit, Insurance and Risk, and monitor and review its effectiveness.
- Develop, implement and deliver the risk management training and development programme for the Council, both of which will be in accessible formats. Assess effectiveness of training and where appropriate and tailor the training to meet the needs of the organisation.
- Ensure the ongoing maintenance of the Corporate Risk Register, the processes underpinning it, and the promotion of a culture of risk awareness.
- Identify and communicate risk management issues to departments and services.
- Work with directorates to support the ongoing process of updating and maintaining risk registers.
- Support Services in implementing Service Risk Registers when appropriate.
- Work with Internal Audit, Fraud and the Insurance Team on any related risk management matters.

#### **4.7.6. Internal Audit**

**Role:**

- Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

**Responsibilities:**

- provide assurance on the effectiveness of the internal control framework through a risk based audit plan (derived through risk registers, and audit risk indices) covering all activities and fundamental systems of the Authority.
- challenge established risk management processes, risk identification and evaluation as part of the routine audit of activities and systems.
- undertake dedicated audits of the Risk Management Process to ensure Service Managers are using the Risk Management Toolkit and Risk Register to record, manage, and review risks, actively identifying new risks and reporting high risk upwards.



#### **4.7.7. Governance and Assurance Board**

**Role:**

- Identify and manage risks associated with Corporate Governance and propose measures to mitigate those risks.

**Responsibilities:**

- Support the Council and its departments in the effective development, implementation and review of the Risk Management Strategy.
- Review and provide guidance on the Council's risk management framework, including the identification, assessment, and mitigation of risks.
- Support the Council in ensuring that appropriate systems of internal control are maintained within service areas.

#### **4.7.8. Elected Members**

**Role:**

- To oversee the effective management of risk by officers of the Council.

**Responsibilities:**

- gain an understanding of risk management and its benefits.
- require officers to develop and implement an all-encompassing approach to risk management.
- review and scrutinise 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.
- approve and monitor the Risk Management Strategy.

#### **4.7.9. Employees**

**Role:**

- to manage risk effectively in their job.

**Responsibilities:**

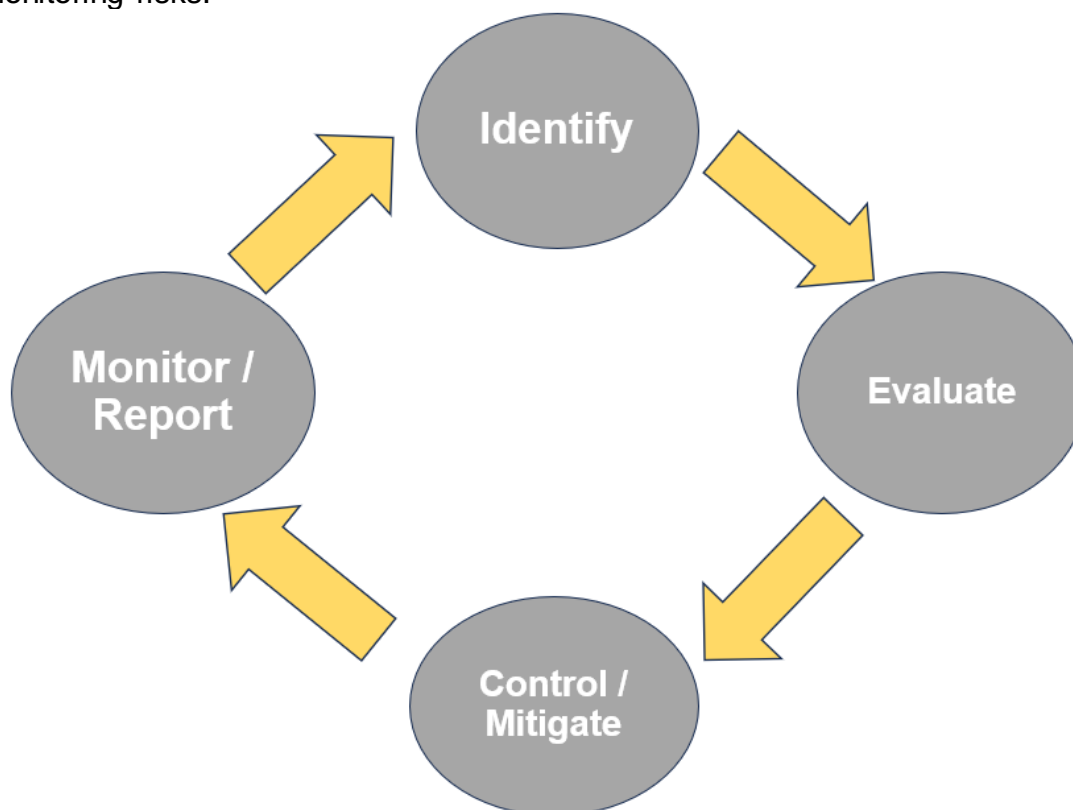
- to liaise with their line manager to assess areas of risk in their job.
- to identify new or changing risks in their job and feed these back to their line manager
- to undertake their job within the risk management guidelines set down for them by their manager.
- to ensure that the skills and knowledge passed to them are used effectively.

## 5. Risk Management Toolkit

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### The Risk Management Cycle

- 5.1. Implementing the strategy involves identifying, analysing, prioritising, managing and monitoring risks.



- 5.2. The methodology adopted by the Council is structured and systematic, and one that identifies, evaluates, prioritises and manages risk at corporate, strategic departmental and operational levels. It provides a consistent approach making best use of the risk management tools available and key aspects of the process are explained in detail below.

### Engagement

- 5.3. To ensure that the Council's risk management strategy becomes a living reality, it is essential to begin its implementation by securing buy-in for the process before it starts.
- 5.4. This will be done through an on-going series of awareness sessions and engaging the Council's Members and Officers on the benefits of risk management to the organisation, to Services and to individuals.

## Identification

- 5.5. An essential part of risk identification is linking them to your objectives and establish what you are trying to achieve first. Corporate, Departmental and Service Plans will cover those key objectives.
- 5.6. Once you have clear objectives, thought should be dedicated to any risks that will impact their achievement. Areas for consideration could include:
- What are the barriers in delivering Council services and objectives?
  - Consider past events and what you can learn from.
  - Look at the world around you and what's currently happening to impact objectives.
  - "Horizon scan" the immediate and long-term future; what could or might happen that will impact the Council, Department or Service?
  - Sources of risk:
    - Has anything been identified from an Internal Audit carried out?
    - Analyse complaint themes.
    - Check incident reporting themes.
    - Analyse financial and performance information.
    - Brainstorming with all stakeholders to ensure that all risks have been identified.
- 5.7. The following categories of possible risk areas can be used to act as a prompt and trigger for officers involved in the process. They ensure that a holistic approach to risk identification is taken and that the risk process does not just concentrate on operational, financial or legal risks:
- Political
  - Economic
  - Social
  - Technological
  - Legislative / Regulatory
  - Environmental
  - Competitive
  - Customer / Citizen
  - Managerial / Professional
  - Financial
  - Legal
  - Partnership / Contractual
  - Physical
- 5.8. Risks will be assessed at three distinct levels:
- **Corporate** – those risks that may prevent the Council from achieving its strategic ambitions and priorities.
  - **Departmental** - those risks that may prevent the individual Departments from meeting their objectives or from achieving their contribution to the corporate ambitions and priorities.
  - **Operational/Service** – those risks that may impact on the success of specific services.

## Risk articulation

- 5.9. The information gathered from the processes above will be documented on a Risk Register template, assessed and analysed, and risk scenarios developed for the key concerns.
- 5.10. A consistent approach will be taken to assessing risks, examining for each risk identified a scenario involving a Risk (Event), Cause and Effect/Impact/Consequence. An effective risk scenario should illustrate the possible consequences of the risk if it occurs, so that its full impact can be assessed.
- 5.11. To take a holistic approach to the articulation of all risks and to ensure they are captured correctly, a key statement to use is:

➤ **“There is a risk of....as a result of....which could lead to.... “**

- 5.12. An example risk scenario is provided below:

<b>Risk (There is a risk of)</b>	<b>Cause (As a result of)</b>	<b>Effect / Impact / Consequence (Which could lead to)</b>
An under resourced project	Failing to assign sufficient resource to a project	<ul style="list-style-type: none"> <li>• Project delays/failure</li> <li>• An inadequate outcome</li> <li>• Performance adversely impacted</li> <li>• Additional stress for staff</li> <li>• Member and user criticism</li> <li>• Adverse publicity</li> <li>• Other projects jeopardised</li> </ul>

## Scoring and assessment

- 5.13. The Council operates a 5 by 5 risk matrix, where the likelihood of the risk occurring is multiplied by the impact the risk will have, to reach its overall score. **Appendix A Risk Matrix** represents an essential risk measure to enable an accurate score that reflects the impact and likelihood of the risk occurring. 3 levels of scoring should be used:
- **Original (inherent) score** – if no mitigating controls are in place (which usually remains static).
  - **Current score** – the score of the risk with all mitigating controls in place (this will/may fluctuate at each interval)
  - **Target score** – once all controls are in place and your desired level of risk (risk tolerance)

## Management

- 5.14. This aspect of the risk management cycle involves:
- Deciding what level of risk is tolerable by determining the risk appetite and the acceptable risk score.

- Assessing whether to accept, control, modify, transfer or eliminate the risk.
- Documenting the rationale behind the chosen appetite/approach (mitigating controls and planned actions).
- Implementing the decision.
- Assigning ownership to manage the risk.

5.15. In coming to a view on the appropriate action the following definitions will apply:

- Accepting risks means that they will be managed within existing management routines. This should normally apply only to tolerable risks.
- Controlling risks means that additional actions are identified that will reduce the likelihood and/or impact of the relevant risk. Controls can be preventative (e.g. physical access controls), detective (e.g. alarms) and/or directive (e.g. guidance notes).
- Modifying risks means that activities, and/or the way they are carried out, are changed, because additional controls would not have the required impact.
- Transferring risk means that a third party takes responsibility for the risk e.g. by taking insurance cover.
- Eliminating risk means ceasing to carry out the activity because modifying it or controlling it would not achieve the desired risk appetite.

5.16. The potential for controlling or modifying the risks identified will be documented through the addition of the risk to Risk Registers (Corporate, Departmental and Operational/Service). Details within the register will:

- describe the risk.
- set out the potential causes and impacts/effects/consequences.
- show the risk scores (original, current, target).
- describe current and proposed mitigation actions/controls.
- identify the resources required to deliver improvements, the officer(s) and Member(s) accountable for delivering the improvements and achieving the target risk, key dates, deadlines and critical success factors/KPIs.

### **Monitoring and Reporting**

5.17. Risk management is an on-going process and requires review and monitoring. This process will examine:

- the implementation of agreed actions.
- the effectiveness of the controls that have been put in place.
- how the risk has changed.

5.18. Where changes have occurred, the cycle will be revisited taking into account the changes and their impact on the service. The effectiveness of any control action will be judged on the basis of its success in either reducing the frequency and/or the severity of an incident/event.

5.19. Risk should be reviewed at the stage of each planned action date and when there are any changes to the risk. This could be as often as daily, but it is recommended that risks are reviewed at least every quarter and added to Corporate/Departmental/Service meeting

agendas to keep the culture and benefits of risk management flowing and ensure that new risks are identified and documented.

- 5.20. Reporting of risks will vary, depending on requirements. Corporate, Departmental, and Service/Operational Risk Registers should be analysed, and reported appropriately to Service Managers, Head of Service, Directors, Exec Directors, Corporate Governance Group and the Audit Committee respectively. The latter two areas will be undertaken by the Risk Manager, and it is expected that Service and Departmental risks are effectively monitored and reported (with the support of the Risk Manager when needed) within their own Service and Departmental arrangements. When risks reach a particular level, consideration should be given to the escalation of the risk – see **Escalation of Risks**.
- 5.21. Any risks that impact the strategic objectives of the Council should be added to the Corporate Risk Register – see **Escalation of Risks**, where this is taken to each Audit Committee meeting. The Audit Committee are tasked with the responsibility of reviewing and scrutinising 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.

### **Escalation of Risks**

- 5.22. Consideration should be given to the escalation of risks from the Service/Operational Risk Registers to either the Departmental and/or Corporate Risk Register. The high-risk scores (15-25) should be discussed at Service/Operational and/or Departmental level first, before considering if they need to be present on the next tier of register:

- **Service/Operational to Departmental Risk Register:**
  - does the particular risk impact the whole of the Department and its objectives?
  - is the service risk crosscutting to other services within that department?
  - Although the score may be high, is it appropriate to be monitored/reviewed at a departmental level, or agreed that it should be left at service level, with the necessary arrangements in place for close monitoring?
  - discuss/agree at senior management level before any escalation.
- **Departmental to Corporate Risk Register:**
  - does the particular risk impact the whole of the Council and its objectives?
  - is the departmental risk crosscutting to other departments within the Council?
  - will the risk stop the Council from achieving its priorities?
  - although the score may be high, is it appropriate to be monitored/reviewed at a corporate level, or agreed that it should be left at departmental level, with the necessary arrangements in place for close monitoring?
  - complete Corporate Risk Register addition document – see Appendix B
  - discuss/agree at executive level before any escalation.

## Training

- 5.23. The Council recognises that it is essential that staff at all levels are aware of the importance of Risk Management and that all staff:
- Understand what risk management is and how the Council aims to manage risk effectively.
  - Understand their responsibilities for managing risk.
  - Have the necessary skills and knowledge to meet their responsibilities.
  - Maintain a holistic approach to risk management.
- 5.24. Training will be provided on a structured and tailored basis by the Risk Manager and will be offered in accessible formats. It will recognise the roles and responsibilities that individuals play in the process, and for those who are directly responsible for or can influence the management of significant risk.
- 5.25. For any training needs and requirements, please contact the Risk Manager at [riskmanagement@bury.gov.uk](mailto:riskmanagement@bury.gov.uk).

## APPENDIX A – 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
EXAMPLES : STAFF RESTRUCTURE, CAPACITY, TRAINING, WORKFORCE NEEDS					
<b>PROFESSIONAL / MANAGERIAL</b> Associated with the particular nature of each profession, internal protocols	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.
EXAMPLES : BUDGET OVERSPENDS, LEVEL OF COUNCIL TAX, LEVEL OF RESERVES					
<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.
EXAMPLES : SECURITY, ACCIDENTS, HEALTH & SAFETY, HAZARDS, FIRE					
<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 AGENCIES 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

**APPENDIX B – Corporate Risk Register Addition**

Corporate Risks are events and circumstances which have the potential to disrupt the Council's ability to meet its strategic and operational objectives.

New and emerging Risks should be identified through effective risk management processes, and this form has been prepared to escalate these risks to the Corporate Risk Register.

Please liaise with the Risk Manager for support and guidance and return the form to [riskmanagement@bury.gov.uk](mailto:riskmanagement@bury.gov.uk).

<b>Risk Title</b>	
<b>Risk Description</b>	

<b>Risk Owner</b>	
<b>Department</b>	

<b>Responsible Officer</b>	<b>Risk Action Status</b>	<b>Trend</b>
		New

Original Score (no controls)			Current Score (with controls)			Target Score		
Likelihood	Impact	Score L x I	Likelihood	Impact	Score L x I	Likelihood	Impact	Score L x I

<b>Key Potential Impacts</b>	<b>Current Controls</b>	<b>Planned Actions</b>
•	•	•

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***To be completed by the Risk Manager:***

For Exec approval	To be presented to Audit Committee	Next Risk Review



<b>Classification:</b> Open	<b>Decision Type:</b> N/a
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<b>Report to:</b>	Audit Committee	<b>Date:</b> 23 July 2025
<b>Subject:</b>	Internal Audit Progress Report	
<b>Report of:</b>	Section 151 Officer	

## Summary

1. This report outlines the work undertaken by Internal Audit from 1 March to 30 June 2025 which includes the progress to date to complete the 2024/25 audit plan and commence the 2025/26 audit plan. 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:

- Work on completing the 2024/25 plan is progressing and work on the 2025/26 plan has commenced, with twelve reviews ongoing, three reports at draft stage and four audits have been allocated to auditors.
- Nine first follow up exercises and four second follow up exercises have been completed between the period 1 March to 30 June 2025.

## Recommendation(s)

- Members note this report and the work undertaken by Internal Audit.
- Members to approve the changes to the 2025/26 Audit Plan.

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## Report Author and Contact Details:

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Position: Senior Auditors

Department: Corporate Core - Finance

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## 1.0 Background

- 1.1 This report outlines the work undertaken by Internal Audit from 1 March to 30 June 2025.
- 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 Fraud, Audit Insurance and Risk 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 2025/26 provides for 689 days to be delivered across all Council departments and Persona. The Audit plan covers a range of themes and was approved by Audit Committee at the meeting on 8 April 2025.
- 1.5 Work has been continuing, completing the outstanding reviews from 2024/25 and starting Quarter 1 & 2 audits from the 2025/26 audit plan. Regular progress reports are produced, informing Members of audit activities, and this is the first report of the 2025/26 financial year covering the period from 1 March to 30 June 2025 which includes 17 completed weeks.

## **2.0 UPDATE**

### **2.1 Annual Audit Plan**

- 2.1.1 The 2025/26 audit plan is shown at Appendix A and has been updated to show the position at the 30 June 2025. When the 2025/26 plan was approved it provided for 13 audits to be carried forward from the 2024/25 plan. Actual non-finalised audits as at 31 March 2025 carried forward were 17.
- 2.1.2 An amendment is required to the 2025/26 audit plan as follows:
  - Greater Manchester - Supporting Families - Greater Manchester Combined Authority now do not require an annual audit to be undertaken in this area. Audit now to be removed from the plan.
- 2.1.3 The 2025/26 audit plan provided for 36 audit days to be allocated to reviews to be undertaken for Persona. A meeting has been arranged to agree the reviews to be undertaken.

### **2.2 Audit Plan Progress**

This report summarises 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 During the period from 1 March to 30 June 2025, six audits have been finalised and issued since Audit Committee last met in April 2025. Three reports were issued in March 2025 and related to the 2024/25 audit plan:
  - Chantlers Primary School
  - St. Margarets C of E Primary School
  - Housing Conditions – Damp, Mould & Condensation



Three reports were issued during April and May 2025 which were relating to areas carried forward into the 2025/26 audit plan:

- Debtors Invoice Processing
- Our Lady of Grace RC Primary School
- Register of Processing Activities

Three of the reports identified above provided limited assurance and three reports had a moderate assurance rating.

All reports have been circulated to Audit Committee Members, the Leader of the Council and Cabinet Members.

- 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).

Recommendations 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 to address the recommendations from the audit 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 follow up audits.

## **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 three months after the report has been finalised, and for all other reports, a follow up is undertaken after six months. The recommendations which have been graded fundamental or significant are subjected to a detailed follow up which includes audit testing. Since April 2025, recommendations graded merits attention are now also followed up, with the officer identified in the management action plan, and assurance is obtained that the recommendation has been implemented.

A second follow up is undertaken six weeks after the first follow up, to pick up on any recommendations that have not been implemented or only had partial implementation. Updates are provided to Audit Committee.

A recommendation tracker is in place and all recommendations that are still either outstanding or partially implemented after the second follow up are reported to the Governance & Assurance Board, which is headed by the Council Monitoring Officer.

There are no plans for a third follow-up process. Any reviews with recommendations which have not been implemented / only partially implemented are then passed to the Governance & Assurance Board to progress. Additionally, recommendations with outstanding actions are currently being monitored on a monthly basis by the Members Assurance Group.

In addition, after the second follow up audit has been completed, the Chair of the Audit Committee has the discretion to request the relevant Director to attend the Audit Committee meeting.

Nine first follow ups reviews and four second follow up reviews have been completed in the period 1 March to 30 June 2025.

All reports have been circulated to Audit Committee Members, the Leader of the Council and all Cabinet Members.

The Governance & Assurance Board has met four times to discuss outstanding recommendations since the last progress report. The June 2025 meeting received updates of 17 recommendations, 6 fundamental and 11 significant, which are still either partially implemented / not implemented. Whilst there are a number of recommendations outstanding, the direction of travel of implemented recommendations is positive, and the number of total outstanding recommendations reported to the group has fallen from 27 to 17 since the last Audit Committee.

## **2.4 Other work**

This section details other work completed by the audit team.

### **Assurance work – Ongoing reviews**

2.4.1 There are twelve audits in progress from the 2025/26 plan. Audits which are currently taking place are:

- Purchase Card Expenditure
- Emergency Duty Team
- Recruitment Process
- Adults Financial Assessments
- Legionella – Performance Data Quality
- Asbestos – Performance Data Quality
- Complaints Procedures
- Persona – Safeguarding
- Persona – Governance of the Persona Board
- Freedom of Information / Subject Access Requests
- Additional Hours / Overtime Payments
- Hollins Grundy Primary School (2025/26 plan)

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

2.4.2 The following reviews carried forward into the 2025/26 plan have been completed and draft reports have been issued to the client:

- Chapelfield Primary School
- Persona – Supported Living – Client Finances
- Bury & Whitefield Jewish Primary

### **Assurance work – Allocated**

2.4.3 Work has also commenced to deliver the audits detailed in the audit plan for 2025/26. The following audits have been allocated to an Auditor and preparation work is being undertaken.

- Creditors – Deep Dive
- Revenues Recovery & Enforcement
- Care Leavers Finance Policy
- Catering Services provided to Secondary Schools

### **Grants**

2.4.4 No grants have been examined so far this financial year.

### **Supporting Transformation and Change**

2.4.5 The Internal Audit Plan 2025/26 includes a provision of 74 days to be made available to support services throughout the year by providing consultancy advice or independent assurance as / when our input is appropriate.

Advice given in the period 1 March to 30 June 2025:

- Work is undertaken with Registrars on a quarterly basis to securely destroy any spoilt certificates.
- Anti-money laundering checks.
- Peel Tower – Income Collection
- Welfare Support Payments
- Support provided to the Secondary Inclusion Lead in relation to an AP provision query.
- Support provided to the Schools Finance section in relation to the Scheme for Financing Schools.

## **2.5 Investigations / Fraud / Whistleblowing**

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.

Details of investigations are reported separately to Audit Committee in part B of the meeting.

## **2.6 School Audits**

For 2025/26 the annual plan includes 50 days to undertake individual school reviews. The audit team have consulted with colleagues from Children's Services and have developed a school audit plan to be delivered. 5 school reviews are to be undertaken.

In addition, arrangements remain in place that Internal Audit will undertake School Audits on requests received, during the year, from the Executive Director of Children's

Services and / or Director of Finance, where it is thought an audit review would be beneficial to the School and the Council.

A Schools Assurance Board has also 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.

## **2.7 Collaboration**

We have ongoing representation on sub-groups of the Northwest Heads of Internal Audit Group. The groups have been established to share good practice across the region.

- IT Audit Group
- Schools Audit Group
- Chief Audit Executive Group

## **2.8 Performance Measures and Targets**

Please find at Appendix C performance indicator results for the end of quarter 1 (1 April to 30 June 2025) where applicable. The results so far are not highlighting any areas of concerns.

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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:**

<b>Risk / opportunity</b>	<b>Mitigation</b>
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 2025/26 (Appendix A)
- Explanation of Opinion ratings (Appendix B)
- Performance Measures and Targets 2025/26 (Appendix C)
- 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
AP	Alternative Provision

## **Appendix A Internal Audit Plan 2025/26**

Updated to show position as at end of June 2025

CORPORATE GOVERNANCE AND RISK					
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Comments
Corporate Core	GDPR - Officer Compliance	Non-compliance to GDPR legislation	Review GDPR compliance with regards to information held within Council Buildings and Depots	12	
Financial					
Corporate Core - Finance	Creditors - Deep Dive	Non-compliance with Contract Procedure Rules within departments	Review a sample of purchases between £10-50K crosscutting all departments to ensure 3 quotations have been obtained	25	Audit has been allocated
Corporate Core - Finance	Income & Banking Key Controls	Errors and omissions could result in weaknesses in the integrity of financial data and statements	Review of controls within the key finance systems, looking at transactions processed during 2024/25, to support closure of accounts process	12	Limited Level of Assurance given on 2023.24 Key Controls
Corporate Core - Finance	Main Accounting Key Controls	Errors and omissions could result in weaknesses in the integrity of financial data and statements	Review of controls within the key finance systems, looking at transactions processed during 2024/25, to support closure of accounts process	12	Limited Level of Assurance given on 2023.24 Key Controls



Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Comments
Corporate Core - Finance	VAT	VAT submissions are inaccurate and are not supported by adequate documentation	To review and assess the process for making submissions to HMRC	12	
Corporate Core - Finance	Grants Register	Grants are not being processed correctly on the Unit 4 system. No assurance that grant applications are being appropriately authorised before submission	Review grant register and a sample of grants applications to ensure that correct processes are being adhered to	12	Area never been audited
Corporate Core - Finance	Trusts managed by Council	Trusts managed by the Council are not being administered in line with conditions	Establish all trusts managed by the Council and ensure compliance with the agreed conditions	12	Area never been audited
Corporate Core - Finance	Housing Rent Collection & Control	Responsibility for rent collection has transferred from Six Town Housing to the Revenues & Benefits team. Assurance required that systems and processes are suitable	A full review of the current systems and processes following the transfer from Six Town Housing to the Revenues & Benefits team	17	Deep Dive

Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Comments
Corporate Core - Finance	Revenues Recovery & Enforcement	Lack of consistency in the application of post liability orders	Post liability order process for CTAX & NNDR	12	Audit has been allocated
HR Systems					
Corporate Core - HR	Payroll - Deductions	Lack of consistency in the way that deductions are being processed	To review employee approved deductions to ensure transactions are being processed consistently	17	
Corporate Core - HR	Payroll - Leavers Deep Dive	Ex employees and agency staff potentially still having access to IT systems, equipment and buildings	Review a sample of leavers from each department to ensure that the leavers process is consistently applied	12	
Grants and Verification					
Children & Young People	(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 /	12	Annual work for GMCA  Remove from plan, audit not required.

			twice a year as directed by GMCA and the devolution agreement		
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Comments
Corporate Core – Finance	Grant Claims	Failure to comply with grant arrangements	Certification of those grant claims required to be certified by the Council's Head of FAIR and/or Chief Executive during 2025/26	10	Annual work Reduced from 15 days allocated within 2024/25 audit plan
SERVICE AREAS					
Children & Young People	Care Leavers - Finance Policy	New finance policy is not being adhered to	Review the finance policy and sample test cases to ensure that it is being adhered to.	12	Audit has been allocated
Children & Young People - Schools	Schools	Appropriate processes and control are not maintained over school finances	Provision for undertaking reviews at schools.	50	Proposed to undertake audits at the following schools: <ul style="list-style-type: none"> <li>• The Elton High School</li> <li>• St Andrews, Ramsbottom</li> <li>• St Andrews, Radcliffe</li> <li>• St Peters</li> </ul>

					<ul style="list-style-type: none"> <li>Hollins Grundy - Audit visit undertaken</li> </ul>
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Comments
Housing	Complaints Procedures	This is not part of the Councils process. Complaints not being monitored or actioned	Review of system for receiving and dealing with complaints.	12	Identified within departmental risk register  Draft report being reviewed
Housing	Day to Day Repairs	Repairs are not completed in a timely manner and to a satisfactory standard	Review the processes in place for the day-to-day repairs of the Council Housing stock	17	Identified within departmental risk register
Operations	Waste Management	Inadequate arrangements in place for the provision of waste services which may result in reputational damage	Review the processes and procedures in relation to the management and the delivery of the Waste Management Service.	17	Roll forward from 2024/25 New IT system being implemented
Operations	Catering Service provided to Secondary Schools	Traded service is not cost effective	Review of the Service Level Agreements, invoicing and overall service costings provided into Secondary Schools within the Bury area	17	Audit has been allocated

Health & Adult Care	Quality Assurance on Care Market Providers	Inadequate arrangements in relation to the quality assurance visits undertaken on Care Market Providers	Review of quality assurance process undertaken by the commissioning team	12	
Directorate	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Comments
Health & Adult Care	Direct Payments - Adults	Misappropriation of public funds intended for vulnerable adults	Review the processes and procedures to ensure that Direct Payments are being managed effectively to reduce fraud and corruption and ensure transparency and accountability.	17	
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.	7	Annual Review
Place	Capital Programme	Failure to meet corporate objectives and ineffective use of resources	Identify a capital scheme that has taken place.	17	Roll forward from 2024/25

			Review 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.		
			TOTAL	355	

OTHER COMMITMENTS		
Activity	Indicative Days	Comments
<b>Completion of audits commenced in previous year:</b> <b><u>2024/25</u></b> <b>Corporate Purchase Cards Unit 4 expenditure reports and analysis</b> <b>Emergency Duty Team</b> <b>Persona – Supporting Living – Client Finances</b> <b>Housing – Legionella – Performance Data Quality</b> <b>Debtors – Invoice Processing</b> <b>Chapelfield Primary</b> <b>Complaints Procedures</b> <b>Bury &amp; Whitefield Jewish Primary</b>	79	<p>13 carry forward audits from the 2024/25 plan were originally identified however, 17 draft audits were carried forward into the 2025/26 year.</p> <p>The additional 4 audits carried forward are:</p> <ul style="list-style-type: none"> <li>• <b>Our Lady of Grace RC Primary School</b></li> <li>• <b>Register of Processing Activities</b></li> <li>• <b>Recruitment Process</b></li> <li>• <b>Adult Financial Assessments</b></li> </ul> <p>As at the end of June 2025, 3 audits carried forward had been finalised:</p>

<b>Persona – Safeguarding</b> <b>Housing – Asbestos – Performance Data Quality</b> <b>Persona – Governance of the Persona Board</b> <b>FOI / Subject Access</b> <b>ITrent – Payroll – Additional Hours / Overtime Payments</b>		<ul style="list-style-type: none"> <li>• <a href="#">Our Lady of Grace RC Primary School</a></li> <li>• <a href="#">Register of Processing Activities</a></li> <li>• <a href="#">Debtors – Invoice Processing</a></li> </ul>
<b>Audit work for Persona (separate audit plans)</b>	36	<a href="#">Meeting to agree plan has been arranged.</a>
<b>Post Implementation Reviews and Action Tracking</b> <b>First and Second follow ups</b>	105	
<b>Contingency for Audit Investigations / Whistleblowing Investigations</b>	40	Reduced from 60 days allocated in 2024/25 plan as only 28 days used up to and including period 12.
<b>Contingency for reactive or unplanned work, management request, consultancy work, working group attendance and advice &amp; guidance request</b>	74	
<b>Audit Service Management and administration, including service development, assurance mapping, Quality Assurance and Improvement Programme, Internal Audit Charter and Strategy, audit planning and Committee's support</b>	200	
<b>Provisions for annual leave / training / sickness</b>	362	
<b>Provision of ICT review – by Salford Computer Audit Services (System Licencing)</b>	20	
<b>Total:</b>	<b>916</b>	

Combined Total:	1271	
Audit days to be delivered	<b>689</b>	(Exclude 200 + 362)



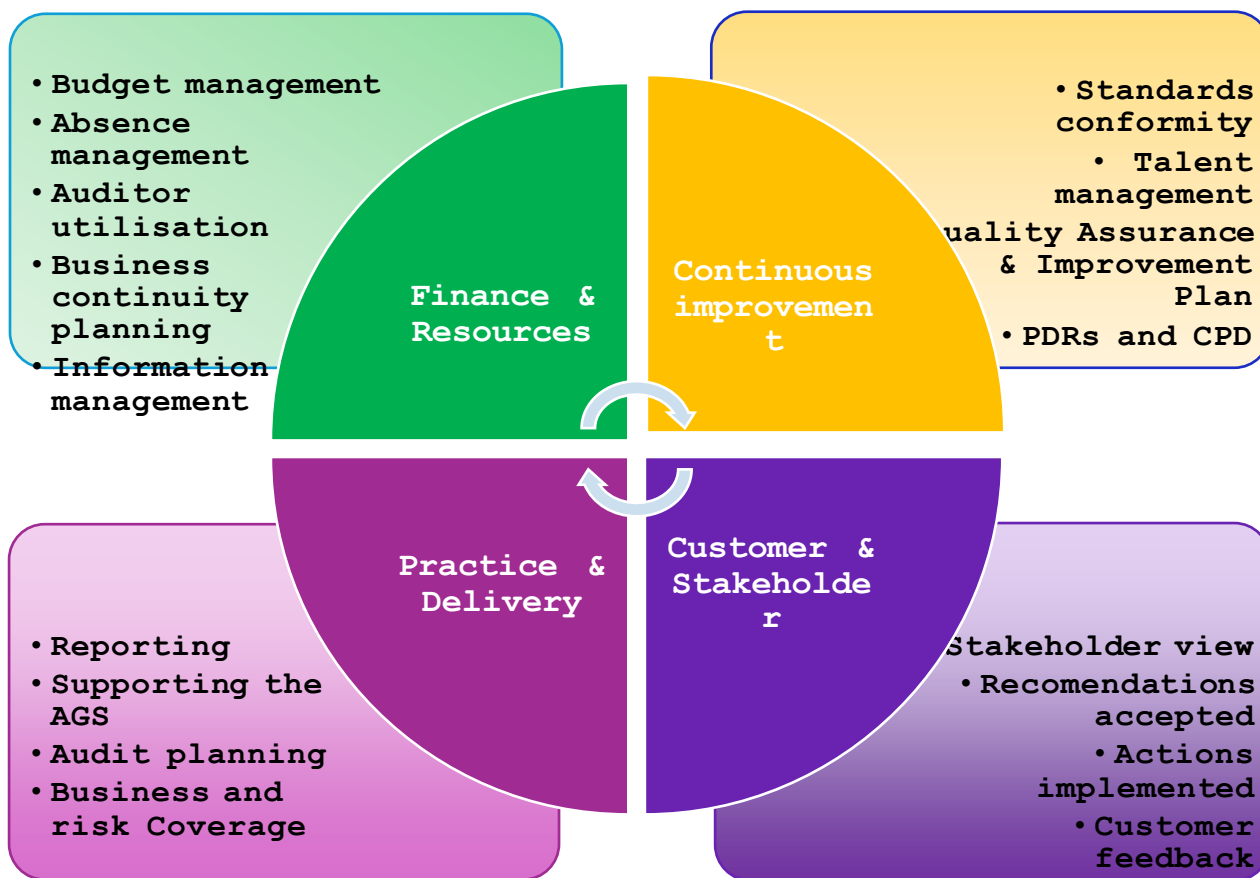
**Explanation of Opinion ratings:**

Overall Opinion	Explanation
<b>Full</b>	<p>The framework of governance, risk management and control is adequate and effective.</p> <p>No recommendations have been made or a small number of recommendations rated as merits attention have been identified within the action plan.</p>
<b>Substantial</b>	<p>Some improvements are required to enhance the adequacy and effectiveness of governance, risk management and control.</p> <p>A maximum of 2 significant rated recommendations have been identified within the action plan.</p>
<b>Moderate</b>	<p>There are significant weaknesses in the framework of governance, risk, management and control such that it could be or could become inadequate and ineffective.</p> <p>More than 2 significant rated recommendations have been identified within the action plan.</p>
<b>Limited</b>	<p>There are fundamental weaknesses or 7 or more significant weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.</p> <p>A fundamental recommendation rating or 7 or more significant recommendations have been identified within the action plan.</p>

**Explanation of Recommendation ratings:**

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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**Balanced Scorecard****Finance & Resources**

Aspect	Detail	Target	Quarter 1 Results
Budget management	The budget has been set at a level agreed to fully staff the service to deliver a volume of work to enable delivery of the audit plan.	Between "On Target" and less than 5% "underspend"	N/A
Auditor utilisation (audit days)	Pro rata based on 184 'chargeable' days delivering audit work per FTE employee	> 95%	N/A
Absence management	Planning includes contingency of up to a maximum of 6 'sickness' days per employee	< 5 'sick days' per FTE per year	5 days as at end of quarter 1.
Business continuity plan	Business continuity plan reviewed and updated	Met	To be reviewed in quarter 2, however was tested on 30.6.25. All staff were able to continue work, however identified the need to transfer audit files

			from server to sharepoint.
Information management	Retention schedule complied with	Met	Met

**Customer & Stakeholder**

Aspect	Detail	Target	Quarter 1 Results
Feedback	Post audit surveys are issued and the result analysed to provide an indication on quality	90% Positive	3 issued and zero received back as at end of quarter 1.
Stakeholder view	Feedback from Directors and AC (confirmed verbally at meetings)	Met	
Recommendations accepted	Recommendations for action are accepted by management and developed collaboratively into agreed actions	95%	100%
Improvement (actions implemented)	Agreed actions are implemented (or substantial progress being made toward implementation) at time of follow-up	95%	73%

**Continuous Improvement**

Aspect	Detail	Target	Quarter 1 Results
Quality Assurance & Improvement Plan	QAIP updated and reported to the autumn quarter's AC	Met	N/A
Conformity (GIAS)	Assessment against the Standards undertaken	100%	N/A
PDRs / CPD	Annual PDRs of team members completed	Met	Annual Reviews planned for July 2025
Talent management	Needs assessment completed and training plan developed	Met	Training Assessment to be undertaken within Annual Review planned for July 2025

**Practice & Delivery**

Aspect	Detail	Target	Quarter 1 Results
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Supporting the Annual Governance Statement	Annual report & HOIA Opinion provided in time to inform the AGS	Met	Met
Audit planning	Draft plan prepared in time for March / April Audit Committee	Met	Met
Reports issued promptly	Draft report prepared and provided to the client within 10 days of fieldwork completion	90%	100%
Business and risk coverage (assurance)	Sufficient coverage of business areas and risk to inform the HOIA opinion	Met	Met

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