

AGENDA FOR AUDIT COMMITTEE



Contact: Andrea Tomlinson
Direct Line: 0161 253 5133
E-mail: a.j.tomlinson@bury.gov.uk
Web Site: www.bury.gov.uk

To: All Members of Audit Committee

Councillors : N Bayley, A Chaudhry, P Davies, I Gartside, D Green, J Hook (Chair), I Rizvi, M Rubinstein, M Smith, Mr B Thomas - Independent Member and, 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:-

Date:	Monday, 19 October 2026
Place:	Town Hall
Time:	7.00 pm
Briefing Facilities:	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.
Notes:	

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 3 - 16)*

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

4 MATTERS ARISING

5 INFORMATION GOVERNANCE UPDATE *(Pages 17 - 30)*

A report from the Head of Performance and Delivery attached

6 CORPORATE RISK REGISTER *(Pages 31 - 52)*

Report from the S.151 Officer attached

7 EXTERNAL AUDITORS PROGRESS REPORT *(Pages 53 - 72)*

Report from Forvis Mazars, Bury Council's External Auditors is attached

8 INTERNAL AUDIT PROGRESS REPORT *(Pages 73 - 92)*

Report from the S.2151 Officer attached

9 URGENT BUSINESS

Any other business which by reason of special circumstances the Chair agrees may be considered as a matter of urgency.

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 COUNTER FRAUD - MID YEAR PROGRESS REPORT *(Pages 93 - 102)*

12 INTERNAL AUDIT - AUDIT REPORTS AND FOLLOW UPS /SPECIAL INVESTIGATIONS *(Pages 103 - 116)*

Reports from the S.151 Officer attached

Minutes of: **AUDIT COMMITTEE**

Date of Meeting: 22 July 2026

Present: Councillor J Hook (in the Chair)
Councillors N Bayley, A Chaudhry, I Gartside, D Green,
G Martin, I Rizvi, M Rubinstein and M Smith

Also in attendance: Jacqui Dennis – Director of Legal & Democratic Svs
Louise Kirkman – Risk Manager
Neil Kisson – Director of Finance
Simon Peet – Chief Accountant
Osama Rathore – Forvis Mazars
Judith Smith - Senior Auditor
Kate Waterhouse – Executive Director, Strategy and
Transformation
Chris Woodhouse – Strategic Partnerships Manager

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

Apologies for Absence: Councillor D Hill, Thomas and Webster

AU.143 APOLOGIES FOR ABSENCE

Apologies for absence are recorded above.

AU.144 DECLARATIONS OF INTEREST

There were no declarations of interest made at the meeting.

AU.145 MINUTES OF THE LAST MEETING

It was agreed:

That the Minutes of the last meeting held on 14 April be approved as a correct record and signed by the Chair.

AU.146 MATTERS ARISING

There were no matters arising.

AU.147 CORPORATE RISK REGISTER

The Risk Manager presented a report providing an updated position as at 19th June 2026 with regards to an overview of 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.

The Register was presented within Appendix A, which reflects material changes to risk narrative or amendments to risk scores only.

The full Register is presented annually.

There were a total of 23 risks present on the Corporate Risk Register:

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

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

Of the 23 risks:

0 have increased in score

2 have decreased in score

21 have remained static

5 contain a material change, presented within the Corporate Risk Register in Appendix A.

The Executive Director (Strategy and Transformation) and the Strategic Partnership Manager attended to update the committee on CR.40 – Community Tensions and Global Conflict, presented within the Report at Appendix C.

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

- Councillor Gartside asked that following the move to a severe terrorism threat level, does the static score of 16 remain credible.

It was explained that the local risk level wasn't tied in with the national risk level and that national levels can increase and decrease without affected the level locally. It was stated the risk being at 16 locally was appropriate.

- Councillor Rubinstein asked for confirmation on what the risk was and it was explained that it was the impact on local cohesion based on global affairs which could include an act of terrorism. Councillor Rubinstein asked how local cohesion was measured.

It was explained that there was no one single measure. The Council had continuous engagement with partners, stakeholders, communities themselves and understanding what information was provide to police colleagues both local policing and counter terrorism and a combination of activity with community safety partners which helps to understand the sense of feelings within communities, the level of hate crime reporting, direct disorder on the streets.

- Councillor Bayley referred to the threat level and asked how this information was shared with partners and the wider public.

It was reported that the national threat level was set by the Joint Terrorism Analysis Centre (JTAC), the UK's independent authority for terrorism assessment and shared locally by multi-agency partners who understand their communities, including local authorities, police, health, and education sectors.

If there are any changes to the national threat level, local faith organisations will be advised to ensure that they are made aware of the change and how this affects them but without causing any fear.

- Councillor Chaudhry referred to the risk relating to SEN & Disability having decreased and asked how this was assessed.

The Risk Manager explained how the risks were evaluated by calculating the likelihood and impact where both are rated from 1 – 5 and multiplied. It was explained that the risk had decreased due to a reduction in either the likelihood or impact.

- Councillor Green asked what was being done to strengthen communication locally particularly in relation to misinformation. There had been misinformation shared on social media recently relating to rumours about a specific person being in the town when this was not the case. It had taken a couple of days before it had been addressed.

The Executive Director (Strategy and Transformation) explained that there is a Communications Network within GMCA which is looking at misinformation and is in the process of developing a toolkit that all GM local authorities can use. This will include a protocol that will be followed.

It was also noted that determining when intervention is required, and which agency should take the lead, can often be challenging. The GM Communications Network will help address these challenges by bringing together heads of communications from councils and partner organisations across Greater Manchester, enabling coordinated discussions on appropriate responses and clarifying responsibility for action.

It was also explained that GMP is reviewing the powers available to tackle those responsible for spreading misinformation and is considering what enforcement options and other actions may be available to address the issue.

Monitoring of social media was undertaken and, where necessary, it was requested that the comments be moderated to help manage misinformation and ensure discussions remained appropriate.

- Councillor Mike Smith referred to twelve of the twenty-four risks belonging to the Corporate Core being significant or high and asked why this was and what was being done to address it.

It was explained that the Corporate Risk Register looks at things that will affect the entire organisation but will be co-ordinated from the Corporate Core although not solely responsible for. Each risk will be managed collectively.

- Councillor Rubinstein asked how the unknown, unknown risks can be addressed. How are risks identified, is there anything that is done to identify the things that we don't know about.

Horizon scanning is carried out but there may be risks that can only be dealt with when they happen. Lessons are learnt and mitigations are in place.

It was also explained that risks are underpinned by directorates and there are departmental risk registers in place which go through robust process of challenge.

- Councillor Rubinstein asked whether the Audit Committee should be looking at the departmental risks.

It was explained that it was not the role of the Audit Committee to audit risks, it was the role of the Audit Committee to check and be assured that there was a robust system in place to identify risks and the direction of travel of the risk register.

- Councillor Rizvi referred to some risks having reached their target level but remained on the register and asked why this was.

It was explained that some risks could fluctuate so it was important to have corporate oversight on the risks that have reached their target score. This offers assurance that the risks are continuing to be managed. If risks are no longer appropriate, they can be de-escalated onto the departmental risk register.

It was agreed:

1. That the report be noted.
2. That the information provided in relation to CR.40 be noted and officer be thanked for their attendance.

AU.148 DRAFT STATEMENT OF ACCOUNTS 2025/2026 & DRAFT AGS

The Director of Finance presented a report introducing the Draft Statement of Accounts.

The report explained that in accordance with the Accounts and Audit Regulations 2015 (as amended) the Unaudited Draft 2025/26 Statement of Accounts were signed by the Director of Finance (S151 Officer) on 30 June 2026 by the deadline and published on the Councils website. However, the Annual Governance Statement was not available by the 30 June 2026 deadline, therefore the Council has been unable to commence the 30-working day period for the Exercise of Public Rights and a delay notice was published on the Council website.

The council had re-published the Draft 2025/26 Statement of Accounts and the Draft 2025/26 Annual Governance Statement on 15 July 2026 to commence the 30-working day period for the Exercise of Public Rights from Thursday 16 July 2026 and this will end on Wednesday 26 August 2026.

The Accounts and Audit (Amendment) Regulations 2024 came into force on the 30 September 2024, this legislated the statutory backstop dates, including the 2025/26 Statement of Accounts of 31 January 2027. To comply with the backstop date legislation the Council must publish accountability statements on the website by this backstop date, accountability statements need to include:

- The Statement of Accounts together with the Audit Opinion and any certificate.
- The Annual Governance Statement.
- The Narrative Statement (the Council includes this within the Statement of Accounts)

Whilst there is no longer a requirement for those charged with governance to approve the Unaudited Draft Statement of Accounts and Draft Annual Governance Statement, Audit Committee are asked to consider and note the Unaudited Draft 2025/26 Statement of Accounts (Appendix 1) and Draft 2025/26 Annual Governance Statement (Appendix 2).

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

- Councillor Gartside referred to the overspend and savings that hadn't been delivered for this financial year and asked if there was a timetable of action for each.

The Director of Finance explained that nothing had been written off and it was assumed that they would be delivered in the current financial year.

The Finance Board meets on a monthly basis and progress will be reported to the Cabinet in September.

- Councillor Martin asked at what level would a S.114 notice become a risk for the Council?

It was explained that the February budget report set out the requirement to undertake a number of service reviews to identify savings proposals to address the gap. All reviews have been completed and are being worked through and will be reported to November Cabinet.

It was also explained that there is no specific threshold at which a Section 114 Notice must be issued. Rather, it is a matter of professional judgement for the Director of Finance, taking into account factors such as the size of the projected budget gap, the level of available reserves, and the degree of confidence that the financial position can be improved and the gap reduced in future years.

- Councillor Green stated that many authorities across the country were in the same position as Bury in relation to funding due to demand for services.

The Monitoring Officer presented the Draft Annual Governance Statement (AGS), covering the period from March 2025 to March 2026.

The Statement outlined the Council's governance framework and explained how it discharges its responsibilities while maintaining accountability.

The Annual Governance Statement focuses on the effectiveness of internal controls and describes the arrangements in place to ensure good governance across all areas of the Council's activities. It reflected the findings of the Internal

Audit Opinion and acknowledged that, while further improvements are still required, progress has been made and a number of improvements have now been embedded within the Council's processes and practices.

It was also explained that the Governance and Assurance Boards meet on a monthly basis and a Members' Assurance Board receive highlight reports in relation to their work.

- Councillor Green referred to the Let's Do It Strategy, noting that it was originally due to run until 2030. She asked whether any plans were being considered for the period beyond 2030 and whether the ambitions set out within the strategy were on track to be achieved.

In response, it was explained that the Let's Do It Strategy is owned collectively by the Council and its partners and key stakeholders. Progress against the strategy is monitored through Team Bury, which undertakes regular reviews to assess delivery and ensure objectives remain on track. Where areas are identified as not progressing as intended, Team Bury has the ability to challenge the approach, review priorities and, where necessary, reset elements of the plan to support its successful delivery.

- Councillor Green also asked whether succession planning was carried out in relation to staff as this was fundamental.

It was explained that each service has a workforce strategy plan which is embedded as part of the annual business plans across each service. Each plan looks at staffing across each team and what each team needs to do to make sure it is effective.

It was agreed:

That the Unaudited Draft 2025/26 Statement of Accounts and Draft 2025/26 Annual Governance Statement be noted.

AU.149 EXTERNAL AUDIT PROGRESS REPORT

Osama Rathore from Mazars Forvis presented the External Audit Progress Report.

It was explained that the External Auditors were responsible for auditing the financial statements of the Council each year and to satisfy themselves that the Council's Value for Money arrangements are in place and the effective use of resources.

During 2019/20 and 2020/21 a large number of external audits were delayed nationally. This impacted the ability of auditors to complete the audit for the year ending 31 March 2022 and subsequent year's audits. A significant backlog of unaudited accounts built up as a result.

It was explained that for 2024/ 2025 the financial statements were delayed by 4 months to November 2025 which limited the ability of the External Auditors to complete their audit.

In 2024 legislation was enacted to put in place 'backstop dates' by when local authorities must publish their audited accounts for all years up to 31 March 2028.

Where external auditors were unable to complete their audit by the backstop date for a financial year, the auditor would issue a 'Disclaimer of Opinion' providing no assurance on the financial statements. The backstop dates were set out in the report.

It was also explained that the External Auditors undertook Value for Money work each year where recommendations were issues in all 3 categories.

This had led a statutory recommendation in December 2024 and the auditors annual report issued in February 2026 assessed the actions that the Council had taken against the recommendations. The External Auditors will assess progress against those recommendations as part of the work on the 2026 Value for Money work.

It was explained that it would take several years to build back to get to a 'clean' opinion and in Bury's case it would be more complex. The Audit for the current year, 2025/2026 primary focus would be on rebuilding assurance to get back to a clean opinion and carry out the audit work.

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

- Councillor Rubinstein referred to the discovery of RAAC and asked if this was the reason for the issues in 2021/2022.

It was advised that this was one of the issues and that a response was delayed due to identifying the issue of RAAC across the council buildings. It was asked that a response be provided but was delayed.

- Councillor Rubinstein asked how Bury compared with other Councils and it was explained that it was not uncommon to have three or four years of disclaimed opinion. Bury had more complex issues.

Neil explained that it was a number of years where the Council hadn't had audited statement of accounts. To complete the accounts in detail to provide assurance would take a long time. The External Auditors had also struggled to have capacity to undertake the audit work required. Neil stated that the Ministry of Housing, Communities and Local Government will probably be asked to review as to whether there is a way to accelerate the work required.

- Councillor Rubinstein also referred to the consultants that had valued Manchester Airport had valued the airport incorrectly which had also contributed to the delay.
- Councillor Gartside referred to the identified failings that had been highlighted in December 2024 and asked what evidence would be required to satisfactorily address these.

It was explained that there had been concerns with staff turnover in the finance department and resourcing issues. The External Auditors would carry out an assessment of the arrangements that were in place for the Value for Money Work.

It was explained that a report of February 2026 was received by the Audit Committee which gave an update on the activity and delivery against the improvement action plan and provided assurance of delivery and progress so far against the improvement plan. The improvement plan had been developed in response to the statutory recommendation and had been monitored through the Audit Committee and Cabinet and Council. In addition, the report proposed robust new arrangements for governance and monitoring of delivery going forward which aligned with Corporate Performance reporting.

The Director of Finance explained that the VFM work carried out by the External Auditors since 2024 had recognised a number of improvements; Financial Sustainability, RAAC has been confirmed in Bury Market only and none of the other estates buildings, improvements in Children's Services was with the external assessors from Ofsted. It was also stated that the previous External Auditor had referenced required culture change across the organisation which was ongoing and would perform part of the work of the VFM work going forward.

- Councillor Hook asked whether a schedule of works had been established to address the two actions identified by the external auditors that are required to complete this year's audit, and noted that the audit opinion would be disclaimed. She also sought assurance that there is a clear plan for moving from a disclaimed opinion this year to a qualified opinion next year, including an understanding of any actions, requirements, or areas of focus for the Council to ensure it is in a stronger position for the next audit cycle.

It was explained that the Council had produced its accounts on time this year, which was a positive development and demonstrated progress in the financial reporting process.

The programme of work required by the External Auditors will be determined following the completion of their risk assessment work. It was noted that Government guidance sets out two potential approaches for rebuilding audit assurance following a number of years of disclaimed audit opinions: 'Proof in Total' and 'Historic Testing'. The outcome of the auditors' risk assessment will determine which approach is most appropriate for Bury, after which the agreed methodology can be implemented.

It was further explained that the Proof in Total approach is generally less resource-intensive and may enable assurance to be rebuilt more quickly. However, if this approach is not considered sufficient, the auditors may require Historic Testing, which involves reviewing prior years and is likely to take several years to complete.

It was agreed:

That the report be noted

The Senior Auditor presented the Internal Audit Annual Report 2025 – 2026 which summarised the results of Internal Audit work during 2025/2026 and as required by The Accounts and Audit Regulations 2015, gives an overall opinion of the Authority's Control environment.

It was reported that a significant focus of the Audit Committee's work during the year was its oversight of the Council Improvement Plan, which was developed in response to a statutory recommendation from the external auditor. Regular progress updates were received into the Committee, and delivery was scrutinised across key themes including financial resilience, finance capacity and transformation, governance and compliance, leadership arrangements and estate management. At the February 2026 meeting, the Committee noted that the majority of improvement actions had been achieved, or were on track, and endorsed the proposal to align future improvement monitoring with established corporate planning and performance arrangements, allowing the Committee to refocus in 2026/27 on broader audit and risk activity.

While it is considered too early at this stage to provide a moderate assurance conclusion, the Council has demonstrated sustained improvement and a strong commitment to implementing agreed actions. Consequently, the Head of Audits conclusion is that it remains one of a limited assurance, but with encouraging and measurable progress noted throughout the period. Importantly, the risks facing the Authority are being actively addressed, and there is positive momentum in the implementation of recommendations.

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

- Councillor Gartside referred to the number of limited assurance reports across the Council and asked if there were any common route causes such as system design, culture or enforcement.

It was explained that the audits undertaken were very specific audits, there were no thematics that had come through. When compiling the conclusion, the auditors do review what was reported the previous year, in 2024/2025 annual opinion reported there were 165 recommendations compared to 274 this year. These are recommendations to improve controls.

It was agreed:

That the contents of the report be noted.

AU.151 INTERNAL AUDIT STRATEGY FRAMEWORK AND PERFORMANCE MEASURES & TARGETS FOR 2026/27

The Senior Auditor presented a report, it was explained that the Internal Audit Strategy and Performance Measures & Targets for 2025/26 were presented and approved at the 8 April 2025 Audit Committee Meeting following an external peer

review against the Public Sector Internal Audit Standards (PSIAS) that had been undertaken in October 2024.

A review of the Strategy is required to be undertaken on an annual basis and this was presented to the Committee.

It was explained that there were no major changes to the strategy framework and strategy.

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

- Councillor Green referred to the statement under the heading supporting initiatives which stated 'Develop our understanding and capabilities in the use of artificial intelligence' and asked what this actually meant in relation to the Council.

It was explained that this reference related specifically to the Internal Audit team. The team uses artificial intelligence to support aspects of its work, including research, developing understanding of particular issues and assisting with the drafting of reports. However, it was emphasised that AI is used as a supporting tool rather than as a replacement for auditors. The limitations of AI are recognised, including the potential for inaccuracies, and therefore its use is subject to appropriate professional judgement and oversight.

The Director of Finance stated that this would not be used to reduce the size of the team but to look at becoming more efficient.

- Councillor Martin referred to a report that was due around the use of AI across the Council and asked if there was anything available in the interim.

The Director of Finance stated that he was not aware of specifics in relation to this piece of work but would take the question away and provide an answer outside of the Committee.

- Councillor Gartside referred to the customer feedback results set out in the report, which showed a satisfaction rate of 100%, but noted that only one of the eight surveys issued had been returned. Councillor Gartside queried whether a minimum response rate threshold should be applied when reporting customer feedback results, to ensure that the findings were meaningful and representative.

In response, it was acknowledged that a single survey response provides only a limited evidence base from which to draw conclusions about overall customer satisfaction. Whilst the feedback received was positive, officers recognised the importance of achieving higher response rates to improve the reliability and representativeness of the results. It was explained that consideration could be given to the way feedback is reported in future, including providing information on both the satisfaction score and the response rate, and exploring whether a minimum response threshold would be appropriate before percentage satisfaction figures are highlighted.

- Councillor Martin asked whether work was carried out in relation to internal HR documents.

It was explained that it would be specific areas that were looked rather than a general overview. An audit was in the process of being completed currently which was reviewing the employee leavers process.

Councillor Martin explained that he had been undertaking a review of available documents and there were some gaps that he felt should be addressed but wasn't sure where to raise this.

It was agreed:

1. That the report be noted .
2. That the Internal Audit QAIP & Strategy Framework for 2026/27 be approved.
3. That the Internal Audit Strategy for 2026/27 be approved
- 4 That the Performance Measures and Targets for 2026/27 be approved.

AU.152 GLOBAL INTERNAL AUDIT STANDARDS SELF-ASSESSMENT AND DEVELOPMENT PLAN (QAIP) 2026/27

The Senior Auditor presented a report explaining that as per the Internal audit Strategy Framework, Internal Audit are required to have an external review against the Global Internal Audit Standards (GIAS) every five years and to undertake a self-assessment on an annual basis and produce a Quality Assurance and Improvement Programme (QAIP) or Development Plan where opportunities for improvement have been identified.

An external assessment was last undertaken in November 2024 against the previous Public Sector Internal Audit Standards (PSIAS), and a report and development plan was presented to the Audit Committee at the April 2025 meeting. Our next external assessment we be required to be undertaken during the 2029/30 financial year.

The annual Self-Assessment had been undertaken using the IIA's toolkit against the new GIAS and Internal Audit Code of Practice. The results were contained within Appendices C & D of the report.

Following on from completing the Self-Assessment, a new Internal Audit Development Plan has been produced (Appendix E) which will ensure, on implementation of the recommendations, compliance against the standards.

It was agreed:

1. That the report be noted.
2. That the Internal Audit Development Plan 2026/2027 be approved.

AU.153 INTERNAL AUDIT PROGRESS REPORT

The Senior Internal Auditor presented a report outlining the work undertaken by Internal Audit from 1 April to 30 June 2026 which includes the progress to date to

complete the 2025/26 audit plan and commence the 2026/27 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 were that work on completing the 2025/26 plan is progressing and work on the 2026/27 plan has commenced, with six ongoing, three reports at draft stage and four audits have been allocated to auditors.

Twelve final audit reports were issues during the quarter 1 period.

Five first follow up exercises and five second follow up exercises have been completed between the period 1 April to 30 June 2026.

Those present were given the opportunity to as questions and the following points were raised:

- Councillor Green referred to one of the audits currently taking place being taxi licensing and she was aware of work that was ongoing nationally in relation to problems with different local authorities having g their own processes and asked if this was part of that work particularly in relation to safeguarding.

It was explained that the audit was added to the audit plan because of the Casey Report, the scope would take in elements from the recommendations from the Casey Report.

It was agreed:

That the report be noted.

AU.154 FINANCIAL PROCEDURE RULES AND SCHEME OF DELEGATION

The Director of Finance presented a report setting out the Financial Procedure Rules and the Scheme of Delegation – Financial Limits for consideration by the Committee. Attached to the rules are detailed guidance notes to support budget holders in performing their financial duties.

It was explained that it had been a number of years since the financial regulations were updated, as part of the Financial Improvement Plan it was identified that several of the Council's Financial Procedure Rules required reviewing, refreshing and updating including the financial limits.

The updated Financial Procedure Rules and Scheme of Delegation were included within the report.

- Councillor Martin referred to in year budget adjustments to school variances and asked why this happened and what controls were in place.

It was explained that in year virements were sometimes used to mask overspends and this was not something that was encouraged. This would make sure that there was a clear controlled approval mechanism in place.

Councillor Martin asked whether he could receive further information in relation to this and the Director of Finance agreed that he would share some information with Councillor Martin.

It was agreed:

1. That the Audit Committee approve the Financial Procedure Rules and Scheme of Delegation.
2. That the Audit Committee recommend to Full Council the adoption of the Financial Procedure Rules and Scheme of Delegation.

AU.155 CONSTITUTION UPDATE - DELEGATED OFFICER POWERS **FOR INFORMATION **

The Council's constitution was reviewed and updated during the municipal year 2020/21. Members agreed that the Constitution should be reviewed annually to ensure that the changes were fit for purpose, the last annual update report was presented at the 20 May 2026 Council meeting. To ensure the constitution continues to operate as a living document Council is requested to adopt the following changes.

The report set out the following updates and/or additions

1. Updated – Part 7 - cabinet portfolios, membership of committees and the council's management structure (Appendix A, B& C)
2. Updated – Part 3 Officer functions - Corporate Core scheme of delegation (Appendix D)

The updates/additions had been agreed at the last meeting of Council on 15 July 2026.

It was agreed:

That the adoption of the changes set out be noted.

AU.156 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.157 INTERNAL AUDIT - AUDIT REPORTS AND FOLLOW UPS/ SPECIAL INVESTIGATIONS REPORT

A confidential report was submitted for information and the Committee were given the opportunity to make comments and ask questions.

It was agreed:

That the report and information received at the meeting be noted

AU.158 COUNTER FRAUD PROGRESS REPORT

A confidential report was submitted and the Committee were given the opportunity to make comments and ask questions.

It was agreed:

That the report and information received at the meeting be noted

COUNCILLOR J HOOK
Chair

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



Classification	Item No.
Open	

Meeting:	Audit Committee
Meeting date:	19 October 2026
Title of report:	Information Governance Update
Report by:	Helen Corbishley, Head of Performance, Delivery and Compliance and Data Protection Officer
Decision Type:	For Information
Ward(s) to which report relates	All

Executive Summary:

Information Governance (IG) is the strategy or framework for handling personal information in a confidential and secure manner to appropriate ethical and quality standards, ensuring compliance with the relevant statutory and regulatory requirements. This report highlights improvements in training compliance, performance at responding to requests for information and dealing with data breaches.

Recommendation(s)

That Audit Committee note the performance for the first 6 months of 2026/27.

Key considerations

Background

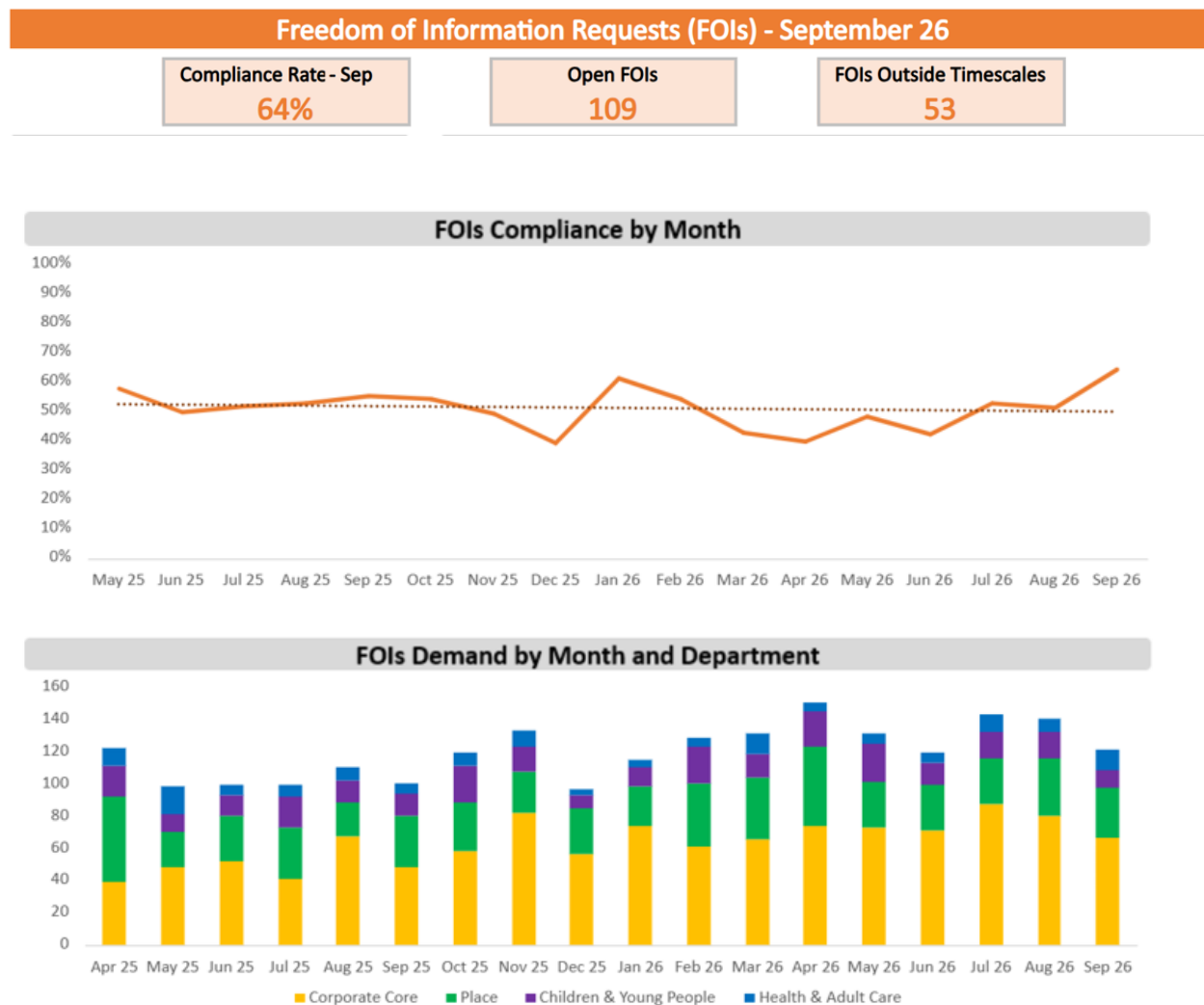
This report is to update Audit Committee on the Council's Information Governance activity and performance from April to September 2026 across FOIs, SARs and EIRs.

Timescales:

- Freedom of Information, Subject Access Requests and Environment Information requests. Under Freedom of Information Act 2000 (FOIA) Public authorities must confirm or deny whether information is held and respond within 20 working days, subject to relevant exemptions.
- Under UK GDPR and Data Protection Act 2018 in relation to Subject Access Requests (SARs): Individuals are entitled to access their personal data. Responses must be provided within one month, extendable by two months for complex or numerous requests.

- Environmental Information Regulations 2004 (EIR): Environmental information requests must be answered within 20 working days, extendable to 40 working days for complex requests. EIR has a presumption of disclosure, with exceptions interpreted more narrowly than under FOIA.

Freedom of Information (FOI) Requests



There are currently 109 open Freedom of Information (FOI) requests, of which 53 have exceeded the statutory response deadline.

Between April 2026 and September 2026, the Council received 804 FOI requests, compared to 628 requests during the same period in 2025, representing a 28% year-on-year increase in demand.

The majority of requests continue to be allocated to the Corporate Core and Place departments. Feedback from authorities across Greater Manchester and nationally indicates that this increase is part of a wider trend, driven by both the growing use of AI tools to generate information requests and an increasing public appetite for accessing information.

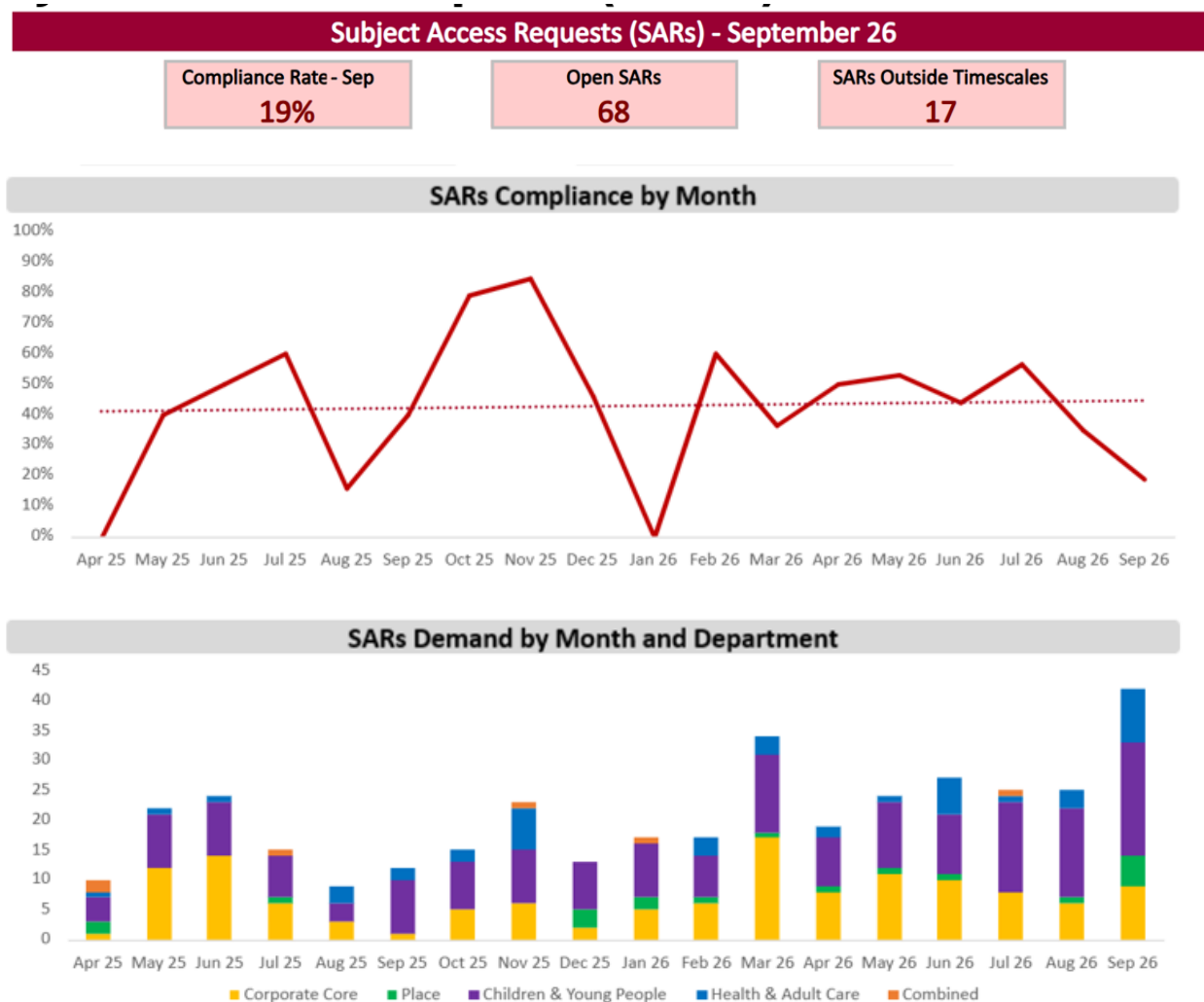
The increase in request volumes has correlated with a decline in compliance against statutory timescales. This was recognised during the summer, and a targeted compliance improvement programme was launched alongside changes to local processes to support sustainable performance improvements.

Key actions implemented included:

- Revising the allocation process so requests are assigned to senior managers.
- Introducing weekly performance and chase reporting.
- Delivering dedicated training and support for managers and operational teams.
- Reviewing backlog cases and providing intensive support and additional capacity to reduce overdue requests.
- Migrating teams to the new FOI case management system, Dapian.

The recent improvement in compliance rates provides early evidence that these interventions are having a positive impact. Whilst challenges remain due to the sustained increase in demand, performance has shown an upward trajectory as the new processes have become embedded, with a continued focus on reducing the backlog and improving timely responses to information requests

Subject Access Requests (SAR) and SAR reviews



There are currently 68 open Subject Access Requests (SAR) requests, of which 17 have exceeded the statutory response deadline.

Between April 2026 and September 2026, the Council received 161 SAR requests, compared to 92 requests during the same period in 2025, representing a 75% year-on-year increase in demand.

The majority of requests continue to be allocated to the Corporate Core and Children and Young People departments. This correlates with the request types as they tend to be requestors wishing to view information held when they have been or currently are under our social services remit or requests from previous or current members of staff.

The increase in request volumes has also correlated with a decline in compliance against statutory timescales. This was recognised within the above compliance sprint and the following actions have been put in place:

- Revising the allocation process so requests are assigned to senior managers.
- Introducing weekly performance and chase reporting.
- Centralising processes around data searches, bulk PDFing and redaction
- Developing a business case for an AI redaction tool to release capacity
- Offering customers secure links to share information to reduce time taken to share large volumes of binded information over multiple emails

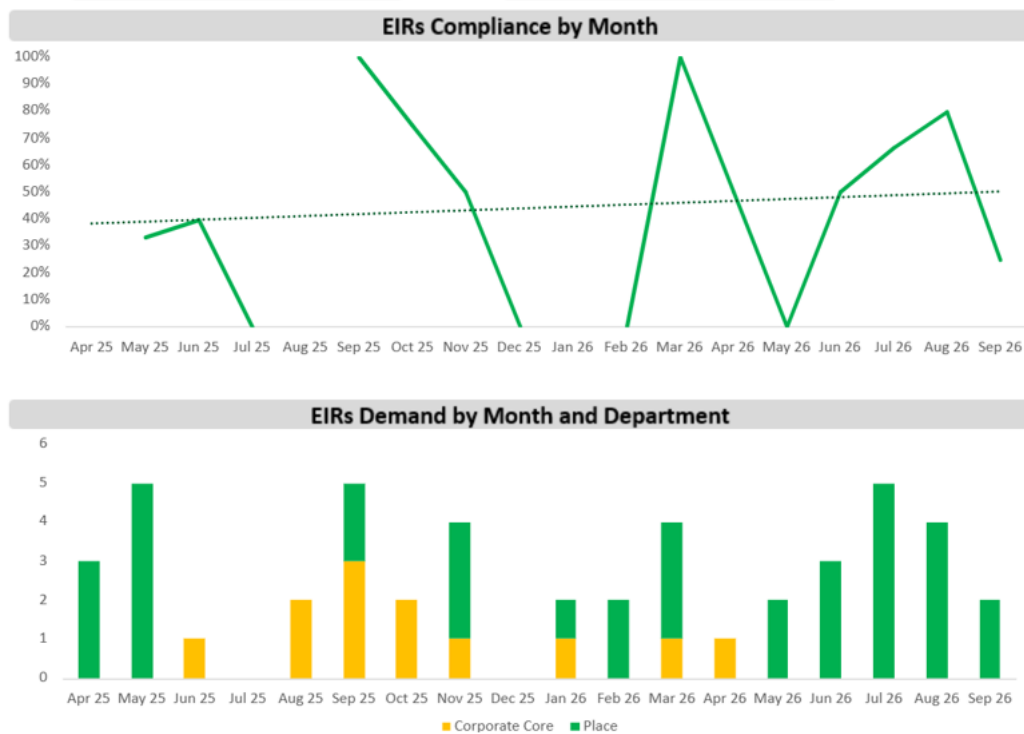
Environmental Information Reviews

Environmental Information Requests (EIRs) - September 26

Compliance Rate - Sep
40%

Open EIRs
4

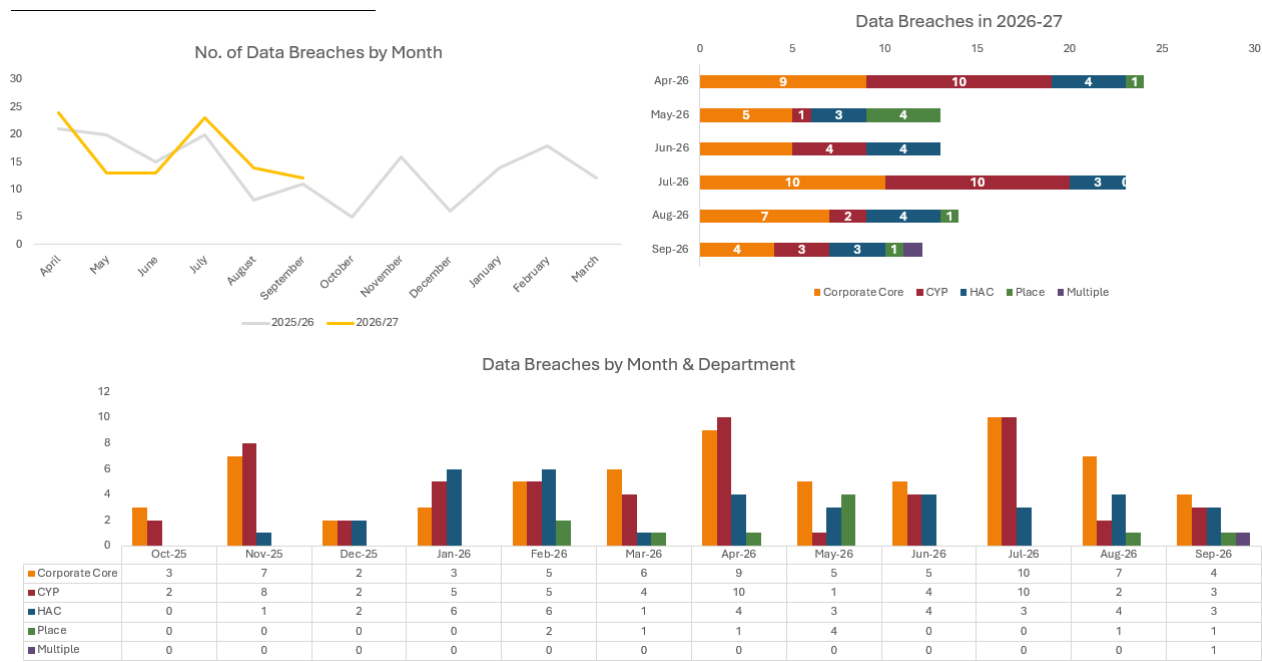
EIRs Outside Timescales
3



There are currently 4 open Environmental Information Requests (EIR) requests, of which 3 have exceeded the statutory response deadline.

The numbers of EIRs remain minimal and can offer additional complexities than usual FOI requests.

Data Breaches



Between April 2026 and September 2026, the Council recorded 105 data breaches. This compares with 166 breaches recorded across the whole of 2025/26, meaning that by the midpoint of the year we have already recorded around two-thirds of last year's total. While this represents an increase in the number of recorded breaches, this is considered a positive indicator as it suggests that staff are becoming more aware of their responsibilities and are reporting incidents that may previously have gone unreported. Reported breaches can be investigated, addressed, and used as learning opportunities to reduce the likelihood of recurrence.

The category of cause for these breaches is as below:

- Data posted, sent by email or verbally disclosed to incorrect recipient: 71
- Lost information: 12
- Other: 7
- Lack of appropriate checks before disclosure e.g. redaction/ID checks: 5
- Cyber incident – hacking, disruption: 2
- Access by unauthorised person(s): 1
- Corruption of data (stored or manipulated inappropriately): 1

Since the last report, there have been no data breaches that met the threshold requiring regulatory concern or formal action by the Information Commissioner's Office (ICO).

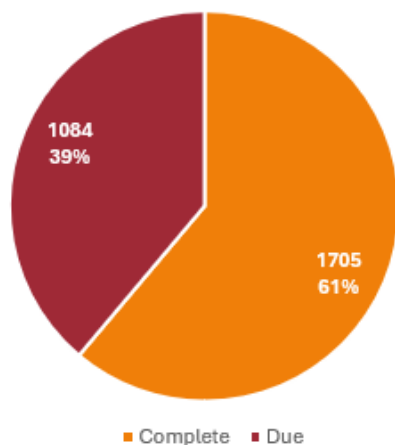
The Governance and Assurance Board continues to monitor data breaches across the organisation. Where trends or repeat breaches are identified, the following mitigations may be implemented:

- Applying a two minute time delay on emails when sending
- Supporting managers to use appropriate performance management tools for repeat breaches from individuals
- Considering future use of removing auto-fill from Microsoft Outlook for particular teams

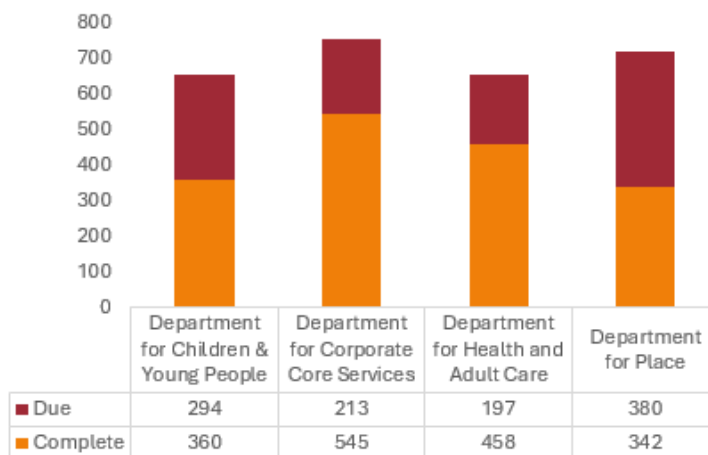
GDPR Training

Current GDPR training compliance figures at September are set out below:

GDPR Training Compliance



GDPR Training Compliance by Department



A spreadsheet identifying non-compliant officers continues to be regularly reviewed by the Data Protection Officer (DPO), Executive Team, Senior Leadership Team, and Governance and Assurance Board to monitor compliance and drive improvement.

The GDPR training programme has been reviewed by the DPO, and a proposal to redesign the training into a structured induction package and an annual refresher programme has been approved by the Executive Team. This revised approach is intended to strengthen compliance and awareness across the organisation and will be launched before Christmas 2026, supported by an internal communications campaign.

As part of this review, tailored training has also been developed for the accountable leads referred to above. In addition, dedicated Freedom of Information (FOI) training, including the application of exemptions, has been delivered throughout October to more than 100 members of staff responsible for preparing and coordinating FOI responses.

Summary and next steps for further improvement

- The first six months of 2026/27 have seen a significant increase in demand across all areas of Information Governance, particularly Freedom of Information (FOI) and Subject Access Requests (SARs). FOI requests increased by 28% compared with the same period last year, whilst SAR volumes increased by 75%. This sustained growth has placed considerable pressure on services and impacted compliance with statutory response times.
- In response, a comprehensive improvement programme has been implemented, including revised request allocation arrangements, strengthened performance monitoring, enhanced management oversight, staff training, backlog reduction activity and the implementation of the Dapian case management system. Early indications show that these interventions are improving performance and providing stronger organisational oversight of information requests.
- The Council has also continued to strengthen its approach to data protection and information governance compliance. Whilst 105 data breaches were reported during the period, no incidents met the threshold for regulatory action by the Information Commissioner's Office. Increased reporting is considered a positive sign of improved awareness and a stronger reporting culture, enabling incidents to be investigated and used as learning opportunities.
- GDPR training compliance remains an organisational priority, supported through regular monitoring by the DPO, Executive Team, Senior Leadership Team and Governance and Assurance Board. A revised training framework, incorporating mandatory induction and annual refresher training, has been approved and will be launched before Christmas 2026. In addition, bespoke training for accountable leads and targeted FOI training for more than 100 officers has further strengthened knowledge and capability across the organisation.
- Overall, the report demonstrates that although demand and complexity continue to increase, significant progress has been made in strengthening governance arrangements, improving accountability, embedding good information management practices and driving improvements in statutory compliance. The continued rollout of Dapian, targeted support for services, ongoing audit activity and enhanced training programmes will further support the Council in meeting its statutory obligations and delivering effective, transparent and secure information governance arrangements.

Equality Impact and considerations:

Equality Analysis	<i>Please provide a written explanation of the outcome(s) of either conducting an initial or full EA.</i>
N/A	

Assessment of Risk:

The following risks apply to the decision:

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

Legal Implications:

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

Financial Implications:

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

Report Author and Contact Details:

Helen Corbishley

Head of Performance, Delivery and Compliance and Data Protection Officer

Helen.corbishley@bury.gov.uk

Background papers:

Report to Audit Committee - 14 April 2026

<https://councildecisions.bury.gov.uk/documents/s49347/2025.26%20IG%20Report%20to%20Audit%20Committee.pdf>

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

Term	Meaning
BGI	Business Growth and Improvement
CYP	Children and Young People
DPO	Data Protection Officer
FOIA	Freedom of Information Act 2000
GDPR	General Data Protection Regulations 2018
HAC	Health and Adult Care
IG	Information Governance
Ops	Operations
ROPA	Record of Processing activity
SAR	Subject Access Request

This page is intentionally left blank



Classification: Open	Decision Type: N/a
--------------------------------	------------------------------

Report to:	Audit Committee	Meeting Date: 19 October 2026
Subject:	Corporate Risk Register	
Report of	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 as at **18th September 2026** with regards to an overview of 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. The Register is presented within Appendix A, which reflects a new risk, and material changes to risk narrative or amendments to risk scores only. (The full Register is presented annually).

A total of **24** risks are present on the Corporate Risk Register and have been identified as those of a genuine corporate nature and are summarised as follows:

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

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

Of the **24** risks:

- **2** have increased in score (reflected on Appendix A)
- **0** have decreased in score
- **21** have remained static
- **1** is newly introduced (reflected on Appendix A)

Recommendation(s)

1. Review the material changes and new risk on the Corporate Risk Register at Appendix A
2. Note the Risk Matrix at Appendix B

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 at 18th September 2026. It highlights the continued efforts to embed a strong risk management culture across the Council. The full Corporate Risk Register is presented annually to the Audit Committee. Appendix A reflects one new risk, and two risks where a material change has occurred since the previous review; details of those changes within Section 6. The analysis contained within this report, however, reflects the position across all risks on the Corporate Risk Register.

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

Target

Impact	5		4	3	1	
	4		8	4	1	
	3			1		1
	2		1			
	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.*

Assessment and Mitigation of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
• Failure to identify and own major risks that may prevent the Council from achieving one or more of its objectives. • Failure to ensure that the major risks are being managed.	• Review of risk management arrangements at Corporate level. • Review of the Council’s risk management strategy and arrangements for the maintenance of risk registers. • Review the associated information management system and reporting arrangements. • Regular review of a Corporate Risk Register in alignment with the revised risk management strategy.

Consultation:

N/a

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.

Financial Implications:

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

Background papers:

- Corporate Risk Register at Appendix A
- Risk Matrix at Appendix B

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 18th September 2026 and the Corporate Risk Register is presented within Appendix A, for new and material changes to risks only.

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 at Appendix B.

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 **24** risks on the Corporate Risk Register which have been reviewed 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 24 risks, 18 (75%) are rated as significant:

No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)
24	0	0	6	18

- 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	12			3	9
CYP	4			1	3
H&C	4			2	2
PLC	4				4
TOTAL	24			6	18

- 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, **2** risks have increased in score:
- **CR4 Digital Transformation**
 - **CR20 Increasing Energy Prices**

Risks that have decreased in score

- 4.3 During this reporting period, **0** risks have decreased in score:

Risks that have remained static

- 4.4 During this reporting period, **21** risks have remained static:
- **CR1 Financial Sustainability**
 - **CR5 Increasing Demand Pressures for Adult Care**
 - **CR6 Climate Change**
 - **CR9 Workforce Skills & Capability**
 - **CR11 Building Management (Operational Health & Safety)**
 - **CR12 Children's Social Care Services**
 - **CR13 Regulatory Compliance**
 - **CR15 Regeneration & Development**
 - **CR16 Special Educational Needs and Disabilities**
 - **CR19 Financial Capacity**
 - **CR23 Adult Social Care Reforms**
 - **CR28 Asylum & Immigration**
 - **CR30 Staff Safety**
 - **CR31 Staff Wellbeing & Absence**
 - **CR35 Insurance Cover**
 - **CR37 Meeting Children's Needs Better, Sooner and More Cost Effectively**
 - **CR38 Destabilisation of Health and Care System**
 - **CR39 Financial Pressures in NHS GM and Impact of NHS Structural Changes on Locality Working**
 - **CR40 Community Tensions and Global Conflicts**
 - **CR41 Cyber Crime and Digital Threats**
 - **CR43 Increase in Fuel and Oil Costs**

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 (Operational Health & Safety)**
 - **CR12 Children's Social Care Services**
 - **CR13 Regulatory Compliance**
 - **CR28 Asylum & Immigration**
 - **CR31 Staff Wellbeing & Absence**
 - **CR41 Cyber Crime and Digital Threats**

New risks

- 4.7 During this reporting period **1** new risks have been added to the Corporate Risk Register:
- **CR44 Bury Youth Justice Service Delivery**

5 Risks Presented for Closure

- 5.1 Since the last meeting of the Audit Committee, **0** risks have been identified as recommended for closure

6 Material Changes

- 6.1 Since the last meeting of the Audit Committee, **2** risks contain material changes and are presented within the Corporate Risk Register at Appendix A:

6.2 CR4 Digital Transformation

The current risk score has increased from 8 to 12 (previously 2 x 4, now 3 x 4).

The risk has been broadened to reflect the Council's increasing reliance on successful digital transformation and the effective adoption of Artificial Intelligence, together with the potential impacts on productivity, service delivery, financial sustainability, cyber security, information governance and organisational resilience. The increase reflects a clearer understanding of the scale and complexity of the risk, rather than a deterioration in controls.

A review of the Council's digital landscape is nearing completion, establishing a baseline for future investment and identifying priorities for system modernisation and digital transformation. The Digital Roadmap report and supporting business case are being finalised for presentation in October and will set out the vision for DDaTs Lets Do It! Digital Transformation programme.

Initial findings indicate that investment will be required to modernise the Council's digital estate, address legacy technology risks and support future service transformation. Failure to secure the required investment would increase the likelihood of service disruption, cyber security and resilience vulnerabilities, escalating support and maintenance costs, reduced workforce productivity and an inability to deliver planned transformation benefits, efficiency savings and improved outcomes for residents.

The increase in likelihood reflects the emerging evidence from the review regarding the scale of investment and transformation activity required to deliver the Council's digital ambitions and mitigate risks associated with ageing technology infrastructure.

6.3 CR20 Increasing Energy Prices

The current risk score has increased from 12 to 20 (previously 3x4, now 5x4).

The likelihood score has increased following renewed volatility in global energy markets linked to international conflict and geopolitical tensions. Whilst mitigation measures remain in place, the risk owner considers there to be a greater probability of adverse financial impacts from energy price fluctuations than at the previous review.

7 Deep Dives

- 7.1 At the last meeting of the Audit Committee, no Deep Dives were requested to be presented today.

Corporate Risk Register 2026/27

19th October 2026

(Material changes only)

SUMMARY

Risk Ref	Risk Title	Likelihood	Impact	Score
CR1	Financial Sustainability	5	5	25
CR4	Digital Transformation	3	4	12
CR5	Increasing Demand Pressures	3	5	15
CR6	Climate Change	4	4	16
CR9	Workforce Skills & Capability	4	5	20
CR11	Building Management	4	5	20
CR12	Children's Social Care Services	2	5	10
CR13	Regulatory Compliance	3	4	12
CR15	Regeneration & Development	5	5	25
CR16	Special Educational Needs & Disabilities	4	5	20
CR19	Financial Capacity	4	5	20
CR20	Increasing Energy Prices	5	4	20
CR23	Adult Social Care Reforms	2	5	10
CR28	Asylum & Immigration	3	5	15
CR30	Staff Safety	4	4	16
CR31	Staff Wellbeing & Absence	3	4	12
CR35	Insurance Cover	3	5	15
CR37	Meeting Children's needs better, sooner and more cost effectively	5	4	20
CR38	Destabilisation of Health & Care System	4	3	12
CR39	Financial Pressures in NHS GM and Impact of NHS Structural Changes on Locality Working	4	5	20
CR40	Community Tensions and Global Conflicts	4	4	16
CR41	Cyber Crime and Digital Threats	5	3	15
CR43	Increase in fuel and oil costs	4	4	16
CR44	Bury Youth Justice Service Delivery	4	4	16

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)
CR4	Digital Transformation Digital transformation risks in local government stem from the challenges of adopting new technologies to improve services and operations. Key risks include outdated infrastructure, insufficient staff training, resistance to change, and data security vulnerabilities. Failure to effectively implement digital solutions could lead to inefficiencies, increased costs, data breaches, and missed opportunities for service improvements, ultimately impacting public trust and operational effectiveness												
		3	4	12	2	4	8	3	4	12	2	4	8

Risk Owner	K. Waterhouse
-------------------	---------------

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
L. Cramp	On target	Increased	December 2026

Key Potential Impacts	Current Controls	Planned Actions
Failure to deliver digital transformation and adopt AI effectively may result in reduced productivity, inefficient service delivery, increased operational costs, heightened cyber and information governance risks, and an inability to meet evolving customer expectations.	- Digital Strategy and Roadmap agreed through Performance & Delivery Board, Digital Board established to monitor and ensure progress against plan. - Additional resources agreed through PDT & Finance Board to commission a review of the	- Finalise and present the Digital Roadmap and supporting business case. - Seek approval for investment priorities identified through the digital landscape review.

This could adversely affect the Council's financial sustainability, organisational resilience, regulatory compliance, reputation, and ability to achieve its strategic priorities.

digital strategy and produce a fully costed 4 year plan to support the MTFS.

- Assistant Director of DDAT started 3rd August
- Investment in new technologies approved within the Capital Programme including, replacement hardware, specialist back up and new Wi-Fi coverage
- Additional budget agreed to match commitment to revenue based cloud systems as opposed to replacing on premise infrastructure via capital spend.
- Digital Board now in place

- Develop and implement a phased programme of digital and technology modernisation.
- Monitor delivery and risk reduction benefits through established governance arrangements.

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	Increasing Energy Prices 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	3	4	12	5	4	20	2	4	8

Risk Owner	P. Lakin
-------------------	----------

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
P. Lakin	Some slippage	Increased	December 2026

Key Potential Impacts	Current Controls	Planned Actions
- Impact of oil price shock due to Ukraine/Russia and Iran/USA conflict causing significant energy price inflation - Additional building running costs	- Delivery of the following building decarbonisation measures using funding from the Public Sector Decarbonisation Scheme (PSDS): - 6 x solar PV - 2 x double glazing - 1 x new variable refrigerant flow (VRF) heating system. PMH - Regular updates provided to Exec Team and to Schools in relation to costs. - Newly developed mandatory Carbon Literacy Training module available for staff and now mandatory.	- Building/Estate Rationalisation Programme - reviews currently taking place. - Centralising energy budgets across the Council to be managed by the Energy Team going forward. - Further energy saving opportunities being investigated. - Feasibility study currently underway to evaluate a heat network in Bury Town Centre to secure stable energy costs in

	• Streetlighting LED replacement programme remains underway. • New water supply contract procured and commenced on 01/11/23. This includes schools, all corporate buildings and selected 3rd party organisations. • Establishment of Energy Manager role within CAFM Service to monitor and reduce energy use (traded service) • Street lighting LED replacement programme approved as a further savings option for delivery during 2023/24 and 2024/25.	the future. Study findings due to be produced in April 2025. • Cabinet Report for solar photovoltaic project to be resubmitted following estate evaluation in line with Bradley Fold regeneration plans • Engagement with The MET to address energy and capital costs associated with this operation. • In year actual and forecast modelling to provide accurate current projected reduction • MEP improvements to be delivered in maintenance backlog programme
--	---	---

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)
CR44	Bury Youth Justice Service Delivery Bury has established its own Youth Justice Service, disaggregating from a joint Bury & Rochdale service. Gaps existed in the offer to Bury young people previously and the Partnership needs to provide a full range of services to meet the needs of vulnerable young people involved or at risk of involvement with the criminal justice system. The transition and disaggregation process is complex and requires ongoing management as the Bury service establishes itself.												
		4	4	16	-	-	-	4	4	16	2	4	8

Risk Owner	J. Richards
-------------------	-------------

Responsible Officer	Risk Action Status	Trend	Next Risk Review Date
L. Sowden	-	New	December 2026

Key Potential Impacts - Increased numbers of children and young people entering or re-entering the criminal justice system. - Failure to meet statutory Youth Justice responsibilities and national standards.	Current Controls - Dedicated Bury Youth Justice Service established. - Multi-agency Youth Justice Partnership Board in place. - Governance and performance reporting arrangements established.	Planned Actions - Establishing our own Management Information System. - Establishing a dedicated base for service delivery for the service in the centre of Bury. - Working with partners to address gaps in current provision by the youth justice
---	--	---

- Poor outcomes for vulnerable children and young people, including those at risk of serious youth violence, exploitation and reoffending.
- Reputational damage to the Council and Youth Justice Partnership.
- Increased financial pressures arising from higher levels of intervention, enforcement and placement costs.
- Reduced confidence from partners, inspectors and regulators

- Recruitment and workforce planning arrangements in place.
- Recruitment and appointment of an experienced service manager
- Service plan and improvement programme being delivered.
- Regular monitoring against Youth Justice Board performance measures.
- Partnership arrangements with Greater Manchester Police, Probation, Health and Education services.

- service partnership for Bury young people.
- Rigorous oversight by the Bury Youth Justice Board.
 - Continued engagement with the national Youth Justice Board to discuss progress and access external expertise as required

Appendix B – Risk Matrix

Quantitative Measure of Risk – Impact / Consequence Score

	Impact / Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
AT RISK	Very Low	Minor	Moderate	High	Severe
EXAMPLES : NEW POLITICAL ARRANGEMENTS, POLITICAL PERSONALITIES, POLITICAL MAKE-UP					
POLITICAL 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.
EXAMPLES : COST OF LIVING, CHANGES IN INTEREST RATES, INFLATION, POVERTY INDICATORS					
ECONOMICAL 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.
EXAMPLES : STAFF LEVELS FROM AVAILABLE WORKFORCE, AGEING POPULATION, HEALTH STATISTICS					
SOCIAL 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
TECHNOLOGICAL 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.
EXAMPLES : HUMAN RIGHTS, TUPE REGULATIONS, DATA PROTECTION					
LEGISLATIVE/LEGAL 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.
EXAMPLES : LAND USE, RECYCLING, POLLUTION, WASTE MANAGEMENT					
ENVIRONMENTAL 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					
PROFESSIONAL / MANAGERIAL Associated with the particular nature of each profession, internal protocols and managerial abilities	The risk will result in a minor delay, inconvenience Can be managed no real impact upon service.	The risk will result in a minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short term effect.	The risk will result in a waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.	The risk will have a major impact on the achievement of ambitions/priorities, serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from	The risk will have a critical impact on the achievement of ambitions and priorities, huge impact on costs, income, performance, reputation, critical opportunities missed. Difficult to recover from and may require a long-term recovery plan/period.
EXAMPLES : BUDGET OVERSPENDS, LEVEL OF COUNCIL TAX, LEVEL OF RESERVES					
FINANCIAL 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					
PHYSICAL 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
EXAMPLES : CONTRACTOR FAILS TO DELIVER, PARTNERSHIP AGENCIS WITH CONFLICTING GOALS					
PARTNERSHIP/CONTACTUAL 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.
EXAMPLES : STANDARDS NOT MET, ACCREDITATION,					
COMPETITIVE 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.
EXAMPLES : MANAGING EXPECTATIONS, COMPLAINTS, CONSULTATION, COMMUNICATION EXTERNALLY					
CUSTOMER/CITIZEN 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
Frequency 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
Frequency 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
Probability	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

This page is intentionally left blank



External Audit Progress Report
Bury Metropolitan Borough Council

October 2026

Contents

1. Backstop update
2. Value for Money Arrangements
3. National Publications
4. FRC Audit Quality feedback

Backstop update

Backstop update

Background

A range of factors have led to delays in local authority financial reporting and audit over a number of years. Legislation passed by government in 2024, the Accounts and Audit (Amendment) Regulations 2024, addresses the backlog by introducing a series of ‘backstop dates’ by when local authorities must publish audited financial statements. Where external auditors were unable to complete their audit by the backstop date for a financial year, the auditor would issue a ‘Disclaimer of Opinion’ providing no assurance on the financial statements.

On 25th February 2026, we disclaimed our opinion on the Council’s 2024/25 financial statements. This followed on from disclaimed opinions issued previously in respect of the Council’s 2023/2024 accounts. We issued a disclaimer of opinion because there was not sufficient time to complete all required audit procedures in advance of the backstop date to enable us to form an opinion on the financial statements. As a result, we do not have assurance over all opening balances for the 2025/26 financial statements. This absence of assurance relating to previous years presents particular challenges in relation to reserve balances as these reflect transactions posted in earlier years, including transactions which maintain the split between usable and unusable reserves that is required to comply with the local authority financial reporting framework.

Rebuilding assurance

‘Rebuilding assurance’ is the term used by the National Audit Office (‘NAO’) in guidance issued to auditors in the form of Local Audit Reset and Recovery Implementation Guidance (LARRIGs), and describes the process whereby auditors can, usually over more than one audit cycle, return to a position where an unmodified opinion on the financial statements can be issued. Our overall approach to re-building assurance has been developed in line with the LARRIGs and fully complies with the Code of Audit Practice and International Standards on Auditing (UK).

The nature and extent of procedures required to re-build assurance depends on the specific circumstances in place at each entity and the outcome of a detailed risk assessment process which considers factors at both the entity level and the financial statement level over the periods covered by our disclaimed opinions. Over the summer the Ministry of Housing, Communities and Local Government (MHCLG) requested audit firms to set out their initial risk assessment of each Council which has a disclaimed audit opinion, and the likelihood of being able to rebuild assurance before the conclusion of the 2027/28 audit. We assessed Bury Metropolitan Borough Council as not being able to support an ISA-compliant build back of assurance by the end of the build back period due to practical constraints. This was based on the following risk factors:

- Significant technical challenges including the level of asset valuations undertaken during the disclaimed period and the assurance required over reserve entries;
- Capacity of the Council and audit team to support the level of work required given the number of years and Council staff turnover within the disclaimed period. As part of the Council’s ongoing transformation, it plans to implement a new financial system in the coming months which will require specific audit focus at the time of data transfer; and
- Significant weaknesses and statutory recommendations reported by external audit and limited assurance opinions from the Head of Audit and Risk Management within the disclaimed period.

Audit progress

Rebuilding assurance continued

The scope of this year's audit include audit procedures required to issue a disclaimed opinion for 2025/26 and does not include any planned procedures to rebuild assurance beyond our initial risk assessment procedures. Our current expectation, given the time required to carry out the risk assessment procedures and carry out the audit work to rebuild assurance, is the Council's audit opinion for 31 March 2026 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 of disclaimed opinions, and the significant weakness identified as part of our value for money work in 2024/25. The Council has taken positive steps in year to enable the rebuild work to be undertaken, including publishing its draft financial statements by the end of June deadline. We will continue to work with Management to develop our timetable and strategy for rebuilding assurance in line with guidance issued by the National Audit Office.

Wider reporting responsibilities

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account.

We received correspondence from a local elector during the public inspection period raising a potential objection and asking questions of the audit team. We are currently assessing whether the correspondence meets the eligibility criteria for a valid objection to the accounts. The public inspection period ended on 26 August 2026.

Value for Money arrangements

We had requested management to provide us with council's Value for money self assessment in August, this was received on 25 September 2026. We have commenced our work on the Council's value for money arrangements and will conclude that element of the work before the end of November 2026, when our Auditor's Annual Report is required to be issued. Our work will follow up on the identified significant weakness in respect of the Council's arrangements to prepare its financial statements. Section 2 of this report sets out our previously identified significant weaknesses in arrangements and the work we intend to carry out on these.

Value for Money Arrangements

Audit progress

Value for money 2025/26 progress

The Code of Audit Practice and Auditor Guidance Note 03 issued by the NAO requires auditors to issue their Auditor’s Annual Report, which includes commentary on the Council’s Value for Money arrangements, by 30 November each year. As part of our audit work in previous years, we identified significant weaknesses in the Council’s arrangements. The table below sets out the significant weaknesses identified in earlier years, our previous recommendations and the work we intend to carry out as part of our 2025/26 audit. We will report the findings from this work in our 2025/26 Auditor’s Annual Report.

Previously identified significant weakness in arrangements		Recommendation for improvement	Planned procedure
1	Ofsted Inspection: Children’s Services		
	The council had its most recent Ofsted Full Children services inspection in June 2025. The overall outcome of the June-25 report was ‘Requires improvement to be good’ Ofsted acknowledges Services for children and families in Bury have improved since the last inspection in 2021, when the overall effectiveness was inadequate. Ofsted noted the leadership has strengthened and is now rated Good, reflecting improved strategic grip, a more stable workforce and a stronger quality assurance framework. However, the inspection also confirms that three of the four judgement areas—help and protection, children in care, and care leavers—continue to be rated “Requires Improvement to be Good”, showing that improvements are not yet consistent or embedded across frontline practice. Persistent weaknesses such as drift and delay in planning, ineffective escalation by IROs and conference chairs, inconsistent quality of direct work and life story work, and delays in meeting children’s emotional and mental health needs continue to undermine timely and effective outcomes for children. These issues are explicitly highlighted by Ofsted as ongoing areas requiring improvement.	We recommend the Council puts in place robust arrangements to ensure the actions identified in its improvement plan are being delivered on time and are having the required impact on the quality of service provided to, and the safety of, children in the Borough.	We will assess the steps taken by the Council to improve the quality of the Children’s Services. We will review the latest inspection reports from regulators and inquire with management regarding steps taken to implement the recommendations.
	Separately, and in May 2024 OFSTED published the results of an inspection of the Council’s SEND services. The inspection took place between 12 and 16 February 2024. The inspection outcome concluded “there are widespread and/or systemic failings leading to significant concerns about the experiences and outcomes of children and young people with special educational needs and/or disabilities (SEND), which the local area partnership must address urgently.		
	The Council recognises that a failure to address the weaknesses identified in the Ofsted report could adversely impact upon the safety of children. In our view, this is indicative of a significant weakness in the Council’s arrangements in relation to governance and the improving economy, efficiency and effectiveness reporting criterion.		

Audit progress

Value for money 2025/26 progress - Continued

Previously identified significant weakness in arrangements	Recommendation for improvement	Planned procedure
Weaknesses in Internal Control We reported several issues including the poor quality of the draft accounts submitted for audit and the significant difficulties encountered during the audit process because of problems with underlying records. The issues identified affected significant balances within the draft accounts published by the Council. The Statement of accounts of the council for 2024/25 were not published by the statutory deadline demonstrating ongoing strain reporting capability. Additionally, internal control weaknesses have been highlighted by the Internal Audit. Internal Audit's 2024/25 Annual Report issued a limited assurance opinion based on many Limited/Moderate opinions, a high volume of high-risk recommendations, and slow close out at follow up -particularly in core finance and IT/IG control areas. In our view, the totality of the issues identified indicates a significant weakness in relation to the governance reporting criteria. In our view, the totality of the issues identified indicate a significant weakness in relation to the governance reporting criteria.	With reference to the weaknesses in internal control identified, the Council should ensure it has arrangements in place for strengthening and maintaining the adequacy and effectiveness of the internal control framework.	Review the Council's arrangements to improve the quality of financial reporting, including evaluating progress against any action plans developed following the issues identified during the 2024/25 audit. Review reports presented to the Audit Committee, Corporate Leadership Team and Council relating to financial reporting, governance, internal control and the closure of accounts process. Consider the findings of Internal Audit, including the 2025/26 annual opinion, the number and severity of limited assurance reviews, the volume of high-risk recommendations, and management's progress in implementing agreed actions.

2

Audit progress

Value for money 2025/26 progress - Continued

Previously identified significant weakness in arrangements	Recommendation for improvement	Planned procedure
Financial Sustainability In 2022/23 we raised a significant weakness in relation to financial sustainability. The Council's budgets for the 2021/22 to 2023/24 and 2024/25 financial years all relied on significant use of reserves to get to a balance position. In 2022/23, 2023/24 and in 2024/25 the Council recorded a General Fund overspend requiring additional reserve draw and worsening the underlying resilience position. Further, on review of forecast outturn reported to Cabinet on 3 Dec we noted a continuing overspend in 25/26 and a budget proposals for 26/27 show a budget gap after use of reserves of £16m (before savings proposals of 8.4m) General Fund and earmarked reserves reduced by £28 m, from £99.6 (31 Mar 2024) to £71.57m (31 Mar 2025). The Council's own narrative acknowledges the Budget Stabilisation Reserve is now insufficient to support the forecast funding gap past 2026/27. In addition to the use of reserves to balance its general fund budget, the council has also accumulated a large deficit balance in relation to Dedicated Schools Grant, which stands at £19.04m as presented in the council's draft 2024/25 statements. Although the council entered into a Safety Valve agreement with the Department for Education in 2021, aimed to eradicate the DSG deficit by the end of the 2024-25. Council could not eradicate its deficit by the end of 2024/25 target, and an amendment has been made to the council's DSG Management Plan and agreed with the department which has a timeframe of the end of 2028/29. The financial projection for the year end position in 2025/26 is for a £2.5m overspend and a DSG deficit of £21.5m.	The Council should undertake a full review of how it delivers and funds its services, including developing and implementing sustainable financial plans to ensure services can be provided within available resources. Sufficient information should be provided to Members so they can understand the position of the council and actions. Any planned use of capital receipts flexibilities should be fully supported and in-line with the statutory guidance and in the timeframe allowed by the current direction.	Review the 2026/27 Budget and MTFS to assess whether the Council has a credible plan to achieve financial sustainability without significant reliance on reserves. Assess the level and projected use of reserves to determine whether reserves remain adequate and whether reliance on one-off funding solutions has reduced. Review 2025/26 budget monitoring and forecast outturn reports to assess whether the Council is controlling expenditure and delivering a balanced financial position. Evaluate progress against the DSG recovery plan and Safety Valve Agreement, including whether the DSG deficit is reducing in line with agreed targets.

Audit progress

Value for money 2025/26 progress - Continued

Previously identified significant weakness in arrangements	Recommendation for improvement	Planned procedure
Financial Sustainability - Continued In summer 2023 the Council declared itself to be in a state of financial distress and established a voluntary Finance Improvement panel to review its financial systems and pressures. Although progress has been made in understanding the sources of funding available to the council, including exploring the flexible use of capital receipts, the council still faces significant inflationary pressures as a result of having historically made the decision to outsource a large proportion of the delivery of its services. To date the Council has not fully explored income generation opportunities to support the financing and continued delivery of its services.	The Council should undertake a full review of how it delivers and funds its services, including developing and implementing sustainable financial plans to ensure services can be provided within available resources. Sufficient information should be provided to Members so they can understand the position of the council and actions. Any planned use of capital receipts flexibilities should be fully supported and in-line with the statutory guidance and in the timeframe allowed by the current direction.	Assess delivery of planned savings and transformation programmes, including whether savings are recurring, achievable and being delivered as planned.

3

National Publications

National publications

	Publication/update	Key points
National Audit Office ('NAO')		
1	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. For information only.
2	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. For information only.
3	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. For information only.
4	NAO insight: Good practice guide for organisations using AI	This guide highlights key considerations for audit and risk assurance committees when overseeing the planning, deployment and scaling of artificial intelligence (AI) within public sector organisations. For information only.
5	NAO report: Managing conflicts of interest: value for money	This report looks at the governance, systems and processes that public bodies have used to manage conflicts of interest. For information only.
Other		
6	Forvis Mazars - Annual Local Government Risk Report 2025/26	The report deep dives into the known and emerging risks for Local Authorities in 2025/26, as well as what they should include in their internal audit plans. For information only.
7	Forvis Mazars – Public Sector in Focus Report	This report outlines the top priorities and risks shaping the future of the sector. For information only.
8	Forvis Mazars – Mapping Public Sector Risk, Resilience and Readiness	This report draws on insights from 100+ public sector leaders to explore how organisations in the sector are responding to financial pressures, workforce challenges and digital transformation while building resilience for the future. For information only.

National publications and technical updates

NAO

1. 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:

- Promoting a culture of accountability – leadership emphasises the importance of budget holders being accountable for monitoring financial performance and ensuring forecasts are accurate and realistic;
- Developing 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; and
- Making 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](#)

2. 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 and technical updates

NAO

3. 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; and
- 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](#)

4. NAO insight: Good practice guide for organisations using AI

This guide highlights key considerations for audit and risk assurance committees when overseeing the planning, deployment and scaling of artificial intelligence (AI) within public sector organisations. It draws on NAO findings, the UK Government's AI Playbook, and lessons from digital transformation programmes across government.

This guidance includes:

- Where AI is used in government;
- Areas that organisations need to consider; and
- Areas of focus and suggested questions to ask.

Link: [NAO insight: Good practice guide for organisations using AI](#)

National publications and technical updates

NAO

5. NAO report: Managing conflicts of interest: value for money

This report looks at the governance, systems and processes that public bodies have used to manage conflicts of interest. It aims to answer the following questions:

- Is central government guidance effective in supporting public bodies to manage conflicts of interest?
- Do public bodies have effective and proportionate governance, systems and controls over the management of conflicts of interest?
- Have public bodies done enough to set a culture where conflicts are managed properly?

Link: [Managing conflicts of interest: value for money](#)

National publications and technical updates

Other

6. Forvis Mazars - Annual Local Government Risk Report 2025/26

The report deep dives into the known and emerging risks for Local Authorities in 2025/26, as well as what they should include in their internal audit plans.

Link: [Annual Local Government Risk Report for 2025/26](#)

7. Forvis Mazars – Public Sector in Focus Report

Forvis Mazars have issued a report for the public and social sector, Public sector in focus: Charting the road ahead. With over 390 responses from across the UK public and social sector, the study reveals the top priorities and risks shaping the future of the sector.

Link: [Public sector in focus: Charting the road ahead - Forvis Mazars - United Kingdom](#)

8. Forvis Mazars – Mapping Public Sector Risk, Resilience and Readiness

Based on insights from 100+ public sector leaders, this report explores how organisations in the sector are responding to financial pressures, workforce challenges and digital transformation while building resilience for the future.

Link: [Mapping Public Sector Risk, Resilience and Readiness](#)

Section 4

FRC Audit Quality feedback

Audit quality

FRC's Annual Review of Audit Quality 2026

The Financial Reporting Council's (FRC) [Annual Review of Audit Quality \(ARAQ\)](#) 2026 report was published on 22 July 2026, and summarises the findings from its 2025/26 inspection cycle across the 12 higher-impact firms assessed by the FRC. The review included inspections of a sample of Public Interest Entity (PIE) and other audits within the scope of the FRC, together with an assessment of broader audit quality measures, including the firms' systems of quality management (SoQM). Set out below is a summary of the FRC's findings in relation to Forvis Mazars LLP (the 'Firm') and our response to those findings.

Audit quality inspections

We are encouraged by a second consecutive year of positive file inspection outcomes, with 70% of AQR-inspected audits assessed as good or requiring only limited improvements. As the FRC notes in the ARAQ 2026 report, changes in AQR results, on their own, are not necessarily indicative of an overall change in audit quality at the firm. Whilst the overall outcome is lower than the prior year, we are pleased that no audits were assessed as requiring significant improvements, and both the number and severity of findings reduced, with no themes identified.

We are pleased by the AQR outcomes achieved over the last two years. We also welcome the results of the QAD inspections, with 100% of audits assessed as either good or generally acceptable. Moreover, we are encouraged that 71% of the audits reviewed under our internal quality monitoring ("iQM") programme were assessed as good or limited improvements required.

"The improvements in Forvis Mazars' FRC audit engagement inspection results over the last two years supports the impact of its remediating activities so far." FRC, ARAQ 2026

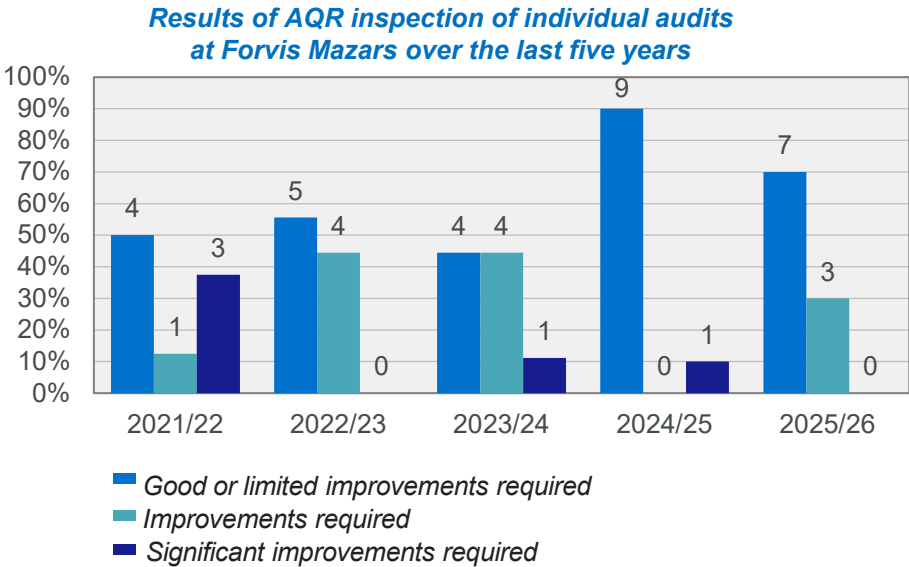
We value the FRC's observations, both in highlighting areas for improvement and in continuing to share examples of good practice. We are pleased that the FRC identified good practice across a number of inspected audits, including group oversight and long-term contracts. We continue to share these examples across our audit practice to promote consistency and support in sustaining audit quality. Together with the positive inspection outcomes, these findings provide evidence of sustained progress and reflect the impact of our continued focus and investment in audit quality.

Key actions

We have implemented targeted actions to address the findings and underlying root causes, including sharing key insights, reinforcing audit quality expectations and associated behaviours, and enhancing guidance. We continue to invest in our people, equipping them with the tools, training and support needed to sustain and build on the progress achieved to date as we transition from a period of transformation to sustaining the consistent delivery of high-quality audits.

Audit quality

FRC's Annual Review of Audit Quality 2026



“The inspection results for Forvis Mazars also show a trend of improvement in audit quality over a five-year period. Whilst there has been a fall in the year-on-year inspection results year, we do not consider this to be indicative of an overall decline in audit quality.”
FRC, ARAQ 2026

Our system of quality management

We welcome the FRC’s recognition of improvements to our SoQM processes, as well as identifying areas of good practice. We remain committed to further strengthening our SoQM and reinforcing clear, consistent messaging on audit quality. Whilst we have enhanced the design, implementation and evaluation of our SoQM, we recognise that further development is required, we will continue to address the FRC’s observations by strengthening our SoQM. The firm continues to identify and respond to emerging audit quality risks, and we continue to update our response to reflect themes informed by relevant regulatory expectations and insights.

Our ongoing commitment to audit quality

We acknowledge the FRC’s recognition of our transition from a period of transformation to sustaining audit quality and the progress made in improving our SoQM. Audit quality remains a core strategic priority for the firm. Whilst an annual quality snapshot is important, our plans are iterative and longer term. We continue to strengthen a consistent, firm-wide culture of quality, and we remain purposely committed to delivering consistently high-quality audits.

Contact

Forvis Mazars

Daniel Watson

Partner

Daniel.Watson@mazars.co.uk

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73

© Forvis Mazars 2026. All rights reserved.





Classification: Open	Decision Type: N/a
--------------------------------	------------------------------

Report to:	Audit Committee	Date: 19 October 2026
Subject:	Internal Audit Progress Report	
Report of:	Section 151 Officer	

Summary

1. This report outlines the work undertaken by Internal Audit from 1 July to 30 September 2026 which includes the progress to date to complete the 2025/26 audit plan and commence the 2026/27 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 the 2025/26 plan is now in its final stages and is expected to be completed shortly. Out of the 20 audits carried forward into 2026/27, 18 have now been finalised and 2 reports are at draft stage.
- Work on the 2026/27 plan has commenced with 1 audit completed, 1 draft report issued, 9 audits currently progressing, and 6 audits allocated.
- 7 final audit reports have been issued during the quarter 2 period.
- 7 first follow up exercises and 4 second follow up exercises have been completed between the period 1 July to 30 September 2026.

Recommendation(s)

- Members note this report and the work undertaken by Internal Audit.

Report Author and Contact Details:

Name: Judith Smith / Adrian Blackshaw

Position: Senior Auditors

Department: Corporate Core - Finance

E-mail: judith.smith@bury.gov.uk / a.g.blackshaw@bury.gov.uk

1.0 Background

- 1.1 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.

- 1.2 The assurance work culminates in an annual conclusion 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.
- 1.3 The Internal Audit Plan for 2026/27 provides for 712 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 14 April 2026.
- 1.4 Work is progressing on completing the 2025/26 audit plan. As at 30 September 2026, out of 20 audits carried forward into 2026/27, 18 have now been finalised and 2 audits have had the draft reports issued to the client.

Work has commenced on the 2026/27 audit plan with 1 audit completed and final report issued, 1 draft report issued, 9 audits currently in progress, and 7 audits allocated to Auditors. Regular progress reports are produced, informing Members of audit activities, and this is the second report of the 2026/27 financial year covering the period from 1 July to 30 September 2026 which includes 13 completed weeks.

2.0 UPDATE

2.1 Annual Audit Plan

- 2.1.1 The 2026/27 audit plan is shown at Appendix A and has been updated to show the position at the 30 September 2026.
- 2.1.2 The 2026/27 audit plan also provides 36 audit days to be allocated to reviews to be undertaken for Persona. A plan has now been agreed, and the audits are identified in Appendix A.

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 July to 30 September 2026, 7 audits have been finalised and issued since Audit Committee last met in July 2026.

Audit Plan 2025/26

- St Peter's C of E Primary School
- GDPR – Officer Compliance
- Waste Management
- Quality Assurance on Care Market Providers
- Income & Banking Key Controls 2025/26
- Housing – Day to Day Repairs

Audit Plan 2026/27

- Taxi Licensing – Safeguarding

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. A review of the explanation of opinion ratings has been undertaken for introduction for audits in the 2026/27 audit plan. This has seen the removal of the rigid criteria previously used to dictate the overall opinion on reports and will allow, moving forward, for the auditor to use their professional judgement when assessing the overall opinion. See below table for explanation of opinion and recommendation ratings:

Explanation of Opinion ratings:

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

Explanation of Recommendation ratings:

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

- 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. All recommendations are subjected to a detailed follow up which includes audit testing.

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.

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.

7 first follow ups reviews and 4 second follow up reviews have been completed in the period 1 July to 30 September 2026.

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

The Governance & Assurance Board has met 3 times to discuss outstanding recommendations since the last progress report. The September 2026 meeting received updates of 35 recommendations, 12 fundamental, 15 significant and 8 merits attention, which are still either partially implemented or not implemented.

2.4 Other work

This section details other work completed by the audit team or currently on-going.

Audit Plan 2025/26

Assurance work – Draft Reports

- 2.4.1 There are 2 audits still in progress with draft reports issued to the client.

- Housing Rent Collection & Control
- Employee Leavers Process

Audit Plan 2026/27

Assurance work – Draft reports

2.4.2 The following review from the 2026/27 audit plan has been completed, and draft report has been issued to the client:

- St Mary's C of E Primary School, Hawkshaw

Assurance work – Ongoing reviews

2.4.3 There are nine audits in progress from the 2026/27 plan. Audits which are currently taking place are:

- Delivery of Savings identified by Departments
- Sexual Health Contract
- Bury Markets
- Customer Contact Centre
- Emmanuel Holcombe C of E Primary School
- External Payroll
- Void Properties
- Food Hygiene Inspections
- Health & Safety

Assurance work – Allocated

2.4.4 Seven audits from the 2026/27 plan have been allocated and are progressing.

- Leaving Care Grants
- Creditors – Deep Dive – Tenders
- Internal Recharges – Deep Dive
- CCTV – Compliance with the Code of Practice
- Catering Service provided to Primary Schools
- Manchester Mesivta High School
- Persona – System Access Arrangements

Grants

2.4.5 The Arts Council Grant verification exercise has been completed, signed off and submitted to the Arts Council. No other grant certifications have been undertaken during quarter 2.

Supporting Transformation and Change

2.4.6 The Internal Audit Plan 2026/27 includes a provision of 54 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 and work undertaken in the period 1 July to 30 September 2026:

- Work is undertaken with Registrars on a quarterly basis to securely destroy any spoilt certificates
- Anti-money laundering checks
- Attendance to the Procurement Continuous Improvement Group (PCIG)
- Attendance to the Finance Transformation Board
- Crisis and resilience fund – changes to legislation affecting the Revenue and Benefits section
- Liability Orders
- Persona – audit of amenity funds
- Hollins Grundy Primary School – Out of School Club
- Active Travel arrangements
- Parrenthorn Academy – query on invoicing for income.

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

The 2026/27 audit plan includes 40 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.

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.

An Education and Skills Leadership team 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.

- Schools Audit Group
- Fraud Group
- Chief Audit Executive Group

2.8 Performance Measures and Targets

Please find below detail, performance measures & targets and the results up to the end of quarter 2 2026/27.

Detail	Target	Q1	Q2	Q3	Q4
Finance & Resources					
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' < 5% 'underspend'	To be reported Q4			
Pro rata based on 148.3 'chargeable' days delivering audit work per FTE employee. 148.3 x 4.8 FTE = 712 days	> 95%	To be reported Q4			
Customer & Stakeholder					
Post audit surveys are issued and the result analysed to provide an indication on quality	90% Positive	100%	100%		
Internal Audit to attend quarterly Department Management Team (DMT) meetings	100%	100%	100%		
Quarterly updates on audit progress, follow-ups and outstanding recommendations will be provided to all departments		100%	100%		
Questionnaire to be sent to Senior Management prior to audit planning meetings on an annual basis	Met	To be reported Q4			
Recommendations for action are accepted by management and developed collaboratively into agreed actions	95%	100%	100%		
Agreed actions are implemented (or substantial progress being made toward implementation) as at second follow up, where agreed implementation date has passed	75%	67%	75%		
Continuous Improvement					
QAIP updated and reported to the Audit Committee on a 6 monthly basis	Met	Met – QAIP reported at July 2026 meeting			
Assessment against the Standards undertaken	Generally achieved	Self-assessment undertaken & reported at July 2026 meeting			
Annual PDRs of team members completed	Met	To be reported Q4			
Needs assessment completed and training plan developed	Met	To be reported when completed			

Practice & Delivery					
Annual report & HOIA Conclusion provided in time to inform the AGS	Met	Presented at the July 2026 meeting			
Draft plan prepared in time for March / April Audit Committee	Met	To be reported Q4			
Draft report prepared and provided to the client within 10 days of fieldwork completion	75%	75%	57%		
The 28 audits allocated within the 2026/27 audit plan, are achieved within time allocation	75%	-	0%		

Links with the Corporate Priorities:

- 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.

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 -

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

Environmental Impact and Considerations:

- N/a – no decision required.
-

Assessment and Mitigation of Risk:

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

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.
-

Financial Implications:

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

Background papers:

- Internal Audit Plan 2026/27 (Appendix A)
 - Internal Audit and Follow Up Reports issued throughout the course of the year
-

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

Term	Meaning
GDPR	General Data Protection Regulation
PCIG	Procurement Continuous Improvement Group
DMT	Departmental Management Teams
QAIP	Quality Audit Improvement Plan
PDR	Personal Development Review
HOIA	Head of Internal Audit
AGS	Annual Governance Statement

This page is intentionally left blank

Appendix A Internal Audit Plan 2026/27

Updated to show position as at end of September 2026

DIRECTORATE – CHILDRENS & YOUNG PEOPLE				
Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Comments
Schools	Appropriate processes and control are not maintained over school finances	Provision for undertaking reviews at schools.	40	Proposed to undertake audits at the following schools: • St Marys C of E Primary School, Hawkshaw • Emmanuel Holcombe C of E Primary School • Manchester Mesivta High School Audit visits have now been completed. The draft report for St Marys C of E Primary has been issued, and Emmanuel Holcombe C of E Primary is being written. Manchester Mesivta High School has been allocated.
Securing appropriate mainstream provision	Ineffective processes for part time timetables	Review the policies and procedures around the use of part timetables within Bury schools to ensure that they are being used appropriately	12	Area has never been reviewed

Leaving Care Grants	Non-compliance with finance policy and procedures	Review of the finance policy and the procedures for leaving care grants and the setting up home grants	12	Area has never been reviewed Audit has been allocated.
Special Guardianship Orders	Financial assessment and support plans are not appropriate	Review of the financial assessment process and support plans in relation to Special Guardianship Orders	12	Area has never been reviewed

DIRECTORATE – CORPORATE CORE FINANCE

Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Comments
Creditors - Deep Dive (Tender Process)	Non-compliance with contract procedures rules within departments	Review a sample of purchases over £50k crosscutting all departments to ensure compliance with contract procedure rules and all internal sign off / authorisation process i.e. Operational Decision forms and Finance Board approval and are reported through to Cabinet	17	Audit has been allocated.
Rent Arrears	Failure to collect rent arrears in a timely manner	Rent arrears are actively monitored and appropriate recovery action is taken	12	

Internal Recharges - Deep Dive	Insufficient supporting documentation to support recharges	Review the process on central re-charges and ad-hoc to ensure that appropriate supporting documentation is being retained. Ensure that re-charges are accurate and agree to agreements / documentation	12	Area has never been reviewed Audit has been allocated and engagement meeting has been arranged.
Delivery of Savings Identified by Departments	Failure to achieve savings	Examine saving proposals by departments to ensure they are based on clear evidence and are achievable	12	Audit has commenced.

DIRECTORATE – CORPORATE CORE

Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Comments
Food Hygiene Inspections	Food establishments are not being inspected in a timely manner and to an adequate standard	Review the process for inspection regime for food establishments across the borough	12	Audit has commenced.
Taxi Licensing - Safeguarding	Failure to implement the recommendations of the Casey report	Review taxi and private hire licensing safeguarding procedures	12	Audit is completed and final report issued.
Health & Safety	Health & Safety risks are not being addressed	Whole service review including schools and academies	17	Audit has commenced.

CCTV – Compliance with the Code of Practice	Failure to adhere to the agreement and follow the CCTV Code of Practice	Annual review required as per CCTV agreement	6	Audit reduced from 7 days allocated in 2025/26 Audit has been allocated.
Customer Contact Centre – Debt Recovery Process	The Council's recovery procedures are not being adhered to	To ensure that the councils recovery standards are being followed by the Customer Contact Centre staff	12	Area has never been reviewed Audit has commenced.
External Payroll	Financial risks of providing service to external clients	Review that the external payroll service that is being provided by the council's payroll team to ensure that the risks to the council are minimised	12	Area has never been reviewed Audit has commenced.
Burial Service	Potential inefficient and outdates practices	Full review of the service to include policies and procedures	12	Area has transferred from Operations to Legal and Democratic Services

DIRECTORATE – HEALTH & ADULT CARE

Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Comments
Controc System	Concerns between the interface of Controc and Unit 4	Full end to end review of the system	25	
NHS Health Checks	Inappropriate payments made to GP Practices	Assurance required that the system is working as intended and appropriate evidence is received and reviewed prior to payments being made	12	Area has never been reviewed

Sexual Health Contract	Ineffective contract management arrangements	Assurance that the contract is being appropriately managed	12	Area has never been reviewed Audit has commenced.
DIRECTORATE – HOUSING				
Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Comments
Void Properties	Ineffective property management	Review the system from a tenant leaving to a new tenant moving into council house property	12	Audit has commenced.
Homelessness - Housing Allocation Policy	Failure to adhere to Legal and Statutory requirements	A review of current controls and procedures against the new housing allocation policy	12	
DIRECTORATE – PLACE				
Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Days	Comments
Bury Market	Ineffective operations at the Markets	Assurance required that Bury Market is being appropriately managed	17	Came under the remit of Facilities Management in March 2026 Audit has commenced

Additional Hours – Waste Management	Regular claims are not being submitted by the service	An analysis of additional hours claims submitted by the service to ensure that claims are appropriate and correctly authorised	17	
Catering Service provided to Primary Schools	That the service is not financially sustainable	Review of the service provided to primary schools (maintained and academies) within the Bury area	17	Audit has been allocated.
		TOTAL	336	

OTHER COMMITMENTS		
Activity	Indicative Days	Comments
Completion of audits commenced in previous year 2025/26: Catering Service provided to Secondary Schools Creditors – Deep Dive Revenues Recovery & Enforcement The Green Café Trusts Managed by the Council GDPR – Officer Compliance Grundy Day Care Centre St Andrews C of E Primary – Radcliffe Income & Banking Key Controls 2025/26 Complaints Procedures Direct Payments Employee Leavers Process Main Accounting Key Controls 2025/26 Waste Management St Peters C of E Primary Housing Rent Collection and Control Grants Register Day to Day Repairs Quality Assurance on Care Market Providers Sensio System	101	As at the end of September 2026: 18 audits carried forward had been finalised: • Catering Service provided to Secondary Schools • Creditors – Deep Dive • Revenues Recovery & Enforcement • The Green Café • Grundy Day Care Centre • St Andrews C of E Primary – Radcliffe • Complaints Procedures • Direct Payments • Grants Register • Sensio System • Trusts Managed by the Council • Main Accounting Key Controls 2025/26 • GDPR – Officer Compliance • Waste Management • St Peters C of E Primary • Income & Banking Key Controls 2025/26 • Quality Assurance on Care Market Providers • Housing – Day to Day Repairs

		2 audits have had draft reports issued to the client: • Employee Leavers Process • Housing Rent Collection
Grants & Certifications	5	Certification of grant claims work required 2026/27 Annual work reduced from 10 days allocated in 2025/26 An Arts Council grant has been reviewed and signed off.
Audit work for Persona (separate audit plans)	36	3 audits have been agreed with Persona. These are: • System access arrangements – Audit has been allocated • SONA system • Inventories
Post Implementation Reviews and Action Tracking First and Second follow ups	115	Increased by 10 days as 2025/26 allocation insufficient Up to the end of September 2026, 47 days have been used carrying out first follow ups and 16.5 days have been used on second follow ups. Total days used 63.5
Contingency for Audit Investigations / Whistleblowing Investigations	65	Increased to 65 days as 40-day allocation insufficient in 2025/26 Up to the end of September 2026, 14 days have been used.

Contingency for reactive or unplanned work, management request, consultancy work, working group attendance and advice & guidance request	54	Reduced from 74 days allocated in 2025/26 down to 54 days Up to the end of September 2026, 40 days have been used.
Audit Service Management and administration, including service development, assurance mapping, Quality Assurance and Improvement Programme, support and attendance at Governance & Assurance Board, audit planning and Committee's support	198	
Provisions for annual leave / training / sickness	346	Reduction of 16 days due to an audit member of staff not commencing AAT Level 4 until September 2026
Provision of ICT reviews – by Salford Technical Audit Services	10	1 Audit has been agreed with Salford Technical Audit Service: • Salford Security Operations Centre (SOC) Reports – Audit has commenced
Total:	926	
Combined Total:	1266	
Audit days to be delivered	722	(Exclude 198 + 346)

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank