



Classification	Item No.
Open	

Meeting:	Audit Committee
Meeting date:	25 th July 2022
Title of report:	Risk Register
Report by:	Sam Evans Executive Director of Finance
Decision Type:	Non Key
Ward(s) to which report relates	All

Executive Summary:

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

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

In addition, this report seeks formal approval from the Audit Committee on the closure of risks from the Council's Corporate Risk Register, namely:

- CR8 Elections
- CR18 PSN Accreditation

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

Following review by the Executive Team, the Audit Committee are additionally requested to incorporate risk reference **CR10 EU Exit Impacts** within the potential impacts of risk reference **CR1 Financial Sustainability**.

The Corporate Risk Register was first presented to Audit Committee at the November 2021 meeting. This report provides an update on the work progressed to date and demonstrates that efforts are ongoing to embed a culture of good risk management across the Council.

A total of **22** risks have been identified as those of a genuine corporate nature and are summarised as follows:

- **22** risks are currently present on the Corporate Risk Register
- **16** risks are currently rated as Significant (risk score 15-25)
- **4** risks are currently rated as High (risk score 8-12)
- **2** risks are currently rated as Moderate (risk score 4-6).

Of these **22** risks:

- **3** have increased in score
- **6** have decreased in score
- **9** have remained static
- **4** have been newly introduced.

A total of **2** risks on the Corporate Register are proposed for closure.

Recommendation(s)

That:

The Audit Committee:

- Note the update provided;
- Approve the closure of the 2 risks described in the report;
- Approve the incorporation of risk CR10 EU Exit Impacts into risk CR1 Financial Sustainability;
- Receive the Corporate Risk Register at Appendix A;
- Review the Risk Matrix presented at Appendix B;
- Review the information presented;
- Determine whether the level of assurance provided against the risks is sufficient; and,
- Select two risks to receive a “Deep Dive” review to be presented at the next meeting of the Audit Committee.

Key Considerations

1. Background

The Corporate Risk Register was first presented to Audit Committee at the November 2021 meeting, following agreement that the Executive Team would produce a mechanism to manage the Council’s exposure to strategic risks. This report provides an update on the work progressed to date and demonstrates that efforts are ongoing to embed a culture of good risk management across the Council.

2. Key Considerations

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

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

Current

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

Target

Impact	5	1	5	1		
	4	2	5	3		1
	3			1	1	
	2				1	
	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 of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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 Internal Audit Standards (PIAS) 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 and loss of income following the pandemic.

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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
BGI	Business Growth and Infrastructure department
CC	Corporate Core department
CYP	Children and Young People's department
DSPT	Data Security and Protection Toolkit
OCO	One Commissioning Organisation
FIN	Finance department
ICS	Integrated Care System
IGSG	Information Governance Steering Group

Risk Register Update

1. Introduction

- 1.1. This report provides an updated position in respect to those risks that have been identified and assessed as significant risks to Bury Metropolitan Bury Council, collectively referred to as the Corporate Risk Register.
- 1.2. The report presents the risk position and status as at **Quarter 1 2022**.

2. Background

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

3. Corporate Risk Register

- 3.1 The Corporate Risk Register (Appendix A) captures risks identified as significant to delivery of the Council's key objectives, irrespective of their current scoring.
- 3.2 There are currently 22 risks on the Corporate Risk Register. All risks have been reviewed by the Risk Owner and assessed to: update the progression of

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

3.3 There are currently a total of 22 risks on the corporate risk register, of which 16 risks (72.7%) are rated as significant:

No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)
22	0	2	4	16

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

Department	No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)
Delivering Together	4	0	1	2	1
Economic Growth and Inclusion	11	0	0	0	11
Local Neighborhoods	3	0	0	0	3
Strength based approach	4	0	1	2	1
TOTAL	22	0	2	4	16

3.5 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)	Risks Not Scored
BGI	2	0	0	0	2	0
CC	8	0	2	2	4	0
CYP	4	0	0	0	4	0
Finance	3	0	0	0	3	0
OCO	2	0	0	2	0	0
OPS	3	0	0	0	3	0
TOTAL	22	0	2	4	16	0

3.6 In exercising their duty to scrutinize risks 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 **3** risks have increased in score:

- **CR5 Increasing demand pressures**
- **CR9 Workforce Skills and Capability**
- **CR16 Special Educational Needs and Disabilities**

Risks that have decreased in score

4.3 During this reporting period **6** risks have decreased in score:

- **CR3 Security & Resilience**
- **CR4 Digital Transformation**
- **CR7 ICS Implementation**
- **CR8 Elections**
- **CR13 Regulatory Compliance**
- **CR18 PSN Accreditation**

Risks that have remained static

4.4 During this reporting period **9** risks have remained static:

- **CR1 Financial Sustainability**
- **CR2 COVID-19 Impact**
- **CR6 Climate Change**
- **CR10 EU Exit Impacts**
- **CR11 Asset Management (Operational Health and Safety)**
- **CR12 Childrens Social Care Services**
- **CR14 Staff Safety and Wellbeing**
- **CR15 Regeneration and Development**
- **CR17 Pharmaceutical Needs Assessment**

Risks that have not been reviewed

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

Risks that have reached their target level

- 4.6 During this reporting period **3** risks have reached their target level.
- **CR8 Elections** (*proposed for closure*)
 - **CR13 Regulatory Compliance** (*proposed to remain for oversight*)
 - **CR18 PSN Accreditation** (*proposed for closure*)

New risks

- 4.7 During this reporting period **4** new risks have been added to the Corporate Risk Register:
- **CR19 Financial Capacity**
 - **CR20 Increasing Energy Prices**
 - **CR21 Project Safety Valve**
 - **CR22 Special School Roof**

Risks proposed to be redefined

- 4.8 Following review by the Executive Team, the risk **CR10 EU Exit Impacts** is proposed to be included within the potential impacts of risk reference **CR1 Financial Sustainability**.

- 4.9 The Audit Committee are requested to approve the redefinition of this risk.

- 4.10 Planned actions to address the risks

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

- 4.11 Heat Maps

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

Current

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

Target

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

5 Risks Presented for Closure

5.1 Since the last meeting of the Audit Committee, a 2021/22 Year End review has taken place of risks included on the Corporate Risk Register. The following risks have been identified as recommended for closure:

- **CR8 Elections**

5.2 The third assessment saw this risk reduce from a level 9 to its target level of 4

5.3 The likelihood of 3 (possible) has been reduced to 1 (rare) as a result of successful delivery of the 2022 elections due to the implementation of a robust plan including a review of polling stations, improved links with other Greater Manchester authorities and Lessons Learned carried through from the previous 2021 elections.

5.4 The risk has therefore been recommended for closure by the risk owner and the proposal supported by the Executive Team.

- **CR18 PSN Accreditation**

5.5 The second review of this risk saw the score reduce from a level 20 to its target level of 4.

5.6 The likelihood of 5 (almost certain) has been reduced to 1 (rare) as a result of the removal of all 2008 sewers and additional cyber security work being undertaken to further reduce risk, thus the Council successfully attained the PSN accreditation.

5.7 The risk has therefore been recommended for closure by the risk owner and the proposal supported by the Executive Team.

5.8 Heat Maps

The heat maps below illustrates the closing 2021/22 Corporate Risk Register position, in comparison to the opening 2022/23 Register:

2021/2022 (18 Risks)

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

2022/23 (22 Risks)

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

6 Deep Dives

- 6.1 The purpose of the Deep Dive Report is to promote discussion and closer scrutiny of specific risks selected by the Audit Committee, to ensure appropriate controls are implemented and rationale adequately explained.
- 6.2 In this regard, the Audit Committee are requested to select 2 risks from the open risks captured on the Corporate Risk Register, for Deep Dive analysis at their subsequent meeting.

7 Recommendations

- 7.1 The Audit Committee is asked to:
- Note the update provided;
 - Approve the closure of the 2 risks described in the report;
 - Approve the incorporation of risk CR10 EU Exit Impacts into risk CR1 Financial Sustainability;
 - Receive the Corporate Risk Register at Appendix A;
 - Review the Risk Matrix presented at Appendix B;
 - Review the information presented;
 - Determine whether the level of assurance provided against the risks is sufficient; and,
 - Select two risks to receive a “Deep Dive” review to be presented at the next meeting of the Audit Committee.