



Classification	Item No.
Open	

Meeting:	Audit Committee
Meeting date:	12 th October 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.

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 following is requested of the Audit Committee:

- To incorporate risk reference **CR10 EU Exit Impacts** within the potential impacts of risk reference **CR1 Financial Sustainability**; and,
- To incorporate risk reference **CR22 Special School Roof** within risk reference **CR16 Special Educational Needs and Disabilities**.

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

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

Of these **20** risks:

- **3** have increased in score
- **4** have decreased in score
- **11** have remained static
- **2** have been newly introduced.

A total of **2** risks are proposed for closure.

Recommendation(s)

That:

The Audit Committee:

- Note the update provided;
- Approve the incorporation of risk CR10 EU Exit Impacts into risk CR1 Financial Sustainability;
- Approve the incorporation of risk CR22 Special School Roof within risk reference CR16 Special Educational Needs and Disabilities;
- Receive the Corporate Risk Register at Appendix A;
- Review the Risk Matrix presented at Appendix B;
- Review, analyse and discuss the Deep Dive Reports at Appendix C;
- Determine whether the level of assurance provided against the risks is sufficient; and,
- Select two further risks to receive a "Deep Dive" review to be presented at the next meeting of the Audit Committee.

Key Considerations

1. Background

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

2. Key Considerations

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

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

Current

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

Target

Impact	5	1	6	1	1	
	4		5	4	2	1
	3			2	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 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
- Deep Dive Reports at Appendix C.

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

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

Risk Register Update

1. Introduction

- 1.1. This report provides an updated position in respect to those risks that have been identified and assessed as significant risks to Bury Metropolitan Bury Council, collectively referred to as the Corporate Risk Register.
- 1.2. The report presents the risk position and status as at **Quarter 2 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 20 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 20 risks on the corporate risk register, of which 14 risks (70.0%) are rated as significant:

No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)
20	1	0	5	14

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

Strategic Objective	No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)
Delivering Together	4	0	0	2	2
Economic Growth and Inclusion	10	0	0	1	9
Local Neighborhoods	3	0	0	0	3
Strength based approach	3	1	0	2	0
TOTAL	20	1	0	5	14

- 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	1	1	0
CC	7	0	0	3	4	0
CYP	3	0	0	0	3	0
Finance	2	0	0	0	2	0
OCO	3	1	0	1	1	0
OPS	3	0	0	0	3	0
TOTAL	20	1	0	4	15	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:

- **CR1 Financial Sustainability**
- **CR15 Regeneration and Development** (*some slippage to progress noted*)
- **CR19 Financial Capacity**

Risks that have decreased in score

4.3 During this reporting period **4** risks have decreased in score:

- **CR2 COVID-19 Impact**
- **CR7 ICS Implementation**
- **CR14 Staff Safety and Wellbeing**
- **CR17 Pharmaceutical Needs Assessment**

Risks that have remained static

4.4 During this reporting period **11** risks have remained static:

- **CR3 Security and Resilience**
- **CR4 Digital Transformation**
- **CR5 Increasing demand pressures**
- **CR6 Climate Change**
- **CR9 Workforce Skills and Capability**
- **CR11 Building Management (Operational Health and Safety)** *formerly Asset Management*
- **CR12 Children's Social Care Services**
- **CR13 Regulatory Compliance**
- **CR16 Special Educational Needs and Disabilities**
- **CR20 Increasing Energy Prices**
- **CR21 Project Safety Valve**

Risks that have not been reviewed

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

Risks that have reached their target level

- 4.6 During this reporting period **2** risks have reached their target level.
- **CR2 COVID-19 Impact**
 - In consideration of the onset of winter and continuing booster vaccination programmes, this risk will remain on the Register for oversight.
 - **CR17 Pharmaceutical Needs Assessment**
 - Although assessed by the Risk Owner as currently below target score, this risk will not be proposed for closure until after publication of the pharmaceutical needs assessment on 31st October 2022.
- 4.7 The Audit Committee are requested to note that risk **CR13 Regulatory Compliance**, although having reached its target risk score of 12 (Likelihood 3; Impact 4) during July 2022, the Risk Owner proposed and Executive Team agreed, that the risk should remain on the Corporate Risk Register for ongoing oversight.

New risks

- 4.8 During this reporting period **2** new risks have been added to the Corporate Risk Register:
- **CR23 Adult Social Care Reforms**
 - **CR24 Elections Act 2022**

Risks proposed to be redefined and closed

- 4.9 Following review by the Executive Team, the following risks are proposed to be redefined:
- **CR10 EU Exit Impacts** is proposed to be included within the potential impacts of risk reference **CR1 Financial Sustainability**; and,
 - **CR22 Special School Roof** is proposed to be included within risk reference **CR16 Special Educational Needs and Disabilities**.
- 4.10 The Audit Committee are requested to approve the redefinition of these risks.

Planned actions to address the risks

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

CR15 Regeneration and Development, recorded some slippage to progress during review by the Risk Owner. This will continue to be

monitored.

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			1	8	4
	4			3	1	1
	3			1		
	2					
	1	1				
		1	2	3	4	5
Likelihood						

Target

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

5 Deep Dives

5.1 The purpose of the Deep Dive Report is to promote discussion and closer scrutiny of specific risks selected by the Audit Committee, to ensure appropriate controls are implemented and rationale adequately explained.

5.2 At the July meeting, the Audit Committee requested detailed reports in respect of the following 2 risks:

- **CR5 Increasing demand pressures**; and,
- **CR11 Building Management (Operational Health and Safety)**

5.3 These reports are included within Appendix C for review, analysis and discussion.

5.4 In this regard, the Audit Committee are requested to select a further 2 risks from the 20 currently present on the Corporate Risk Register, for Deep Dive analysis at their subsequent meeting.

6 Recommendations

6.1 The Audit Committee is asked to:

- Note the update provided;
- Approve the incorporation of risk CR10 EU Exit Impacts into risk CR1 Financial Sustainability;
- Approve the incorporation of risk CR22 Special School Roof within risk reference CR16 Special Educational Needs and Disabilities;

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