



| Classification | Item No. |
|----------------|----------|
| Open           |          |

|  |  |
|--|--|
| <b>Meeting:</b>                        | Audit Committee                            |
| <b>Meeting date:</b>                   | 30 <sup>th</sup> March 2023                |
| <b>Title of report:</b>                | Risk Register                              |
| <b>Report by:</b>                      | Sam Evans<br>Executive Director of Finance |
| <b>Decision Type:</b>                  | Non Key                                    |
| <b>Ward(s) to which report relates</b> | 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.

Furthermore, this report provides the Audit Committee with an analysis of the 2022/23 Corporate Risk Register, to support their annual review of strategic risks and the approach taken to their management.

In addition, this report seeks formal approval from the Audit Committee to close the

following risk:

- risk reference **CR2 COVID-19 Impact**.

A total of **23** risks have been identified as those of a genuine corporate nature and are summarised as follows:

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

Of these **23** risks:

- **15** have remained static
- **2** have increased in score
- **3** have decreased in score
- **1** risk is proposed for closure
- **3** new risks have been introduced during the Quarter 4 reporting period.

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

- **CR14 Staff Safety and Wellbeing**
- **CR21 Project Safety Valve**.

## **Recommendation(s)**

**That:**

The Audit Committee:

- Note the update provided;
- Approve the recommended closure of risk CR2 COVID-19 Impact
- 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;
- Discuss the year-end analysis;
- Determine whether the level of assurance provided against the risks is sufficient;
- Identify any strategic risks that should be removed in preparation of the 2023/24 Corporate Risk Register and,
- Select two further risks to receive a “Deep Dive” review to be presented at the next meeting of the Audit Committee.

## Key Considerations

### 1. Background

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

### 2. Key Considerations

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

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

Current

|            |   |   |   |   |   |   |
|------------|---|---|---|---|---|---|
| Impact     | 5 |   |   | 2 | 9 | 3 |
|            | 4 |   |   | 4 | 3 |   |
|            | 3 |   |   | 2 |   |   |
|            | 2 |   |   |   |   |   |
|            | 1 |   |   |   |   |   |
|            |   | 1 | 2 | 3 | 4 | 5 |
| Likelihood |   |   |   |   |   |   |

Target

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

## Community impact / Contribution to the Bury 2030 Strategy

Ensuring compliance with Financial Procedures and Policies

---

### 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:

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

---

### **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.

---

### **Report Author and Contact Details:**

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

### **Background papers:**

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

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

| Term  | Meaning  |
|-------|--|
| BGI   | Business Growth and Infrastructure department        |
| CC    | Corporate Core department                            |
| CYP   | Children and Young People's department               |
| DSPT  | Data Security and Protection Toolkit                 |
| DLUHC | Department for Levelling Up, Housing and Communities |
| FIN   | Finance department                                   |
| HPG   | Homelessness Prevention Grant                        |
| ICS/B | Integrated Care System/Board                         |
| IGSG  | Information Governance Steering Group                |
| OCO   | One Commissioning Organisation                       |
| PRS   | Private Rental Sector                                |

|      |  |
|------|--|
| RSAP | Rough Sleeper Accommodation Programme    |
| RSMP | Regional Strategic Migration Partnership |
| SAR  | Subject Access Request                   |
| 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 4 2022/23**.
- 1.3. Furthermore, the report provides an analysis of the 2022/23 year in review with regard to strategic risks present on the Corporate Risk Register.

### **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. 2022/23 represents the first full financial year following implementation of the Corporate Risk Register. 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.
- 2.3. 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 23 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 23 risks on the corporate risk register, of which

17 risks (74%) are rated as significant:

| No. Risks | Low (1-3) | Moderate (4-6) | High (8-12) | Significant (15-25) |
|-----------|-----------|----------------|-------------|---------------------|
| 23        | 0         | 0              | 6           | 17                  |

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

| Department     | No. Risks | Low (1-3) | Moderate (4-6) | High (8-12) | Significant (15-25) | Risks Not Scored |
|----------------|-----------|-----------|----------------|-------------|---------------------|------------------|
| <b>BGI</b>     | <b>2</b>  | 0         | 0              | 1           | 1                   | 0                |
| <b>CC</b>      | <b>8</b>  | 0         | 0              | 4           | 4                   | 0                |
| <b>CYP</b>     | <b>3</b>  | 0         | 0              | 0           | 3                   | 0                |
| <b>Finance</b> | <b>2</b>  | 0         | 0              | 0           | 2                   | 0                |
| <b>OCO</b>     | <b>3</b>  | 0         | 0              | 1           | 2                   | 0                |
| <b>OPS</b>     | <b>5</b>  | 0         | 0              | 0           | 5                   | 0                |
| <b>TOTAL</b>   | <b>23</b> | <b>0</b>  | <b>0</b>       | <b>6</b>    | <b>17</b>           | <b>0</b>         |

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

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

3.6 The Executive Team have identified that the following continue to be the top three risks:

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



## 4 Trend Analysis

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

### Risks that have increased in score

4.2 During this reporting period **2** risks have increased in score.

- **CR14 Staff Safety and Wellbeing**
- **CR19 Financial Capacity**

### Risks that have decreased in score

4.3 During this reporting period **3** risks have decreased in score:

- **CR9 Workforce Skills and Capability**
- **CR24 Elections Act 2022**
- **CR25 Housing Conditions (Damp, Mould and Condensation).**

### Risks that have remained static

4.4 During this reporting period **15** risks have remained static:

- **CR1 Financial Sustainability**
- **CR2 COVID-19 Impact**
- **CR3 Security and Resilience**
- **CR4 Digital Transformation**
- **CR5 Increasing demand pressures**
- **CR6 Climate Change**
- **CR7 ICS Implementation and Establishment**
- **CR11 Building Management (Operational Health and Safety)**
- **CR12 Children's Social Care Services**
- **CR13 Regulatory Compliance**
- **CR15 Regeneration and Development**
- **CR16 Special Educational Needs and Disabilities**
- **CR20 Increasing Energy Prices**
- **CR21 Project Safety Valve**
- **CR23 Adult Social Care Reforms**

### Risks that have not been reviewed

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

### Risks that have reached their target level

- 4.6 During this reporting period **0** risks have reached their target level.
- 4.7 The following risk, although having reached its target level during previous reporting periods, the Risk Owner proposed and Executive Team agreed, that the risks should remain on the Corporate Risk Register for ongoing oversight:
- **CR13 Regulatory Compliance** - target score of 12 achieved during Quarter 1, 2022/23 (Likelihood 3; Impact 4).
- 4.8 It should be noted, although currently insufficient to increase the total risk score, Subject Access Requests (SARs) continue to be a source of challenge to Business Support, the team facilitating the coordination and timely response to SARs.
- 4.9 Despite significant reduction of the backlog over the past 10 months, capacity remains a cause for concern, particularly in regard to those relating to Children's Social Care which are often complex in nature.
- 4.10 Controls have been enhanced and mitigations identified, as recorded on the Risk Register. The risk will continue to be monitored appropriately.

#### **New risks**

- 4.11 During this reporting period **3** new risks have been added to the Corporate Risk Register:
- **CR26 Increasing Fuel Costs & New Red Diesel Restrictions**
  - **CR27 General Contract/Tenders Inflation**
  - **CR28 Asylum & Immigration.**

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

- 4.12 The following risk is proposed to be closed, as it is agreed that all possible mitigations have been implemented and no further actions can be taken.
- **CR2 COVID-19 Impact**
- 4.13 The threat posed by COVID-19 is not unique to Bury as a locality and indeed may be accepted as the "new normal" in modern society.
- 4.14 The residual risk score of 9 (Likelihood 3; Impact 3) achieved in Quarter 1 2022/23 is to be tolerated and the risk therefore proposed for closure.
- 4.15 In the event that a resurgence of the COVID-19 Coronavirus occurs at a future date, the risk will be reintroduced to the Corporate Risk Register and monitored appropriately.

## Planned actions to address the risks

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

### 4.16 Heat Maps

The following heat maps reflects the current and target risk profile in respect to those risks on the Corporate Risk Register:

**Current**

|               |   |                   |   |   |   |   |
|---------------|---|-------------------|---|---|---|---|
| <b>Impact</b> | 5 |                   |   | 2 | 9 | 3 |
|               | 4 |                   |   | 4 | 3 |   |
|               | 3 |                   |   | 2 |   |   |
|               | 2 |                   |   |   |   |   |
|               | 1 |                   |   |   |   |   |
|               |   | 1                 | 2 | 3 | 4 | 5 |
|               |   | <b>Likelihood</b> |   |   |   |   |

**Target**

|               |   |                   |   |   |   |   |
|---------------|---|-------------------|---|---|---|---|
| <b>Impact</b> | 5 |                   | 6 | 1 |   |   |
|               | 4 |                   | 6 |   | 5 | 1 |
|               | 3 |                   | 1 | 2 |   |   |
|               | 2 | 1                 |   |   |   |   |
|               | 1 |                   |   |   |   |   |
|               |   | 1                 | 2 | 3 | 4 | 5 |
|               |   | <b>Likelihood</b> |   |   |   |   |

## **5 Deep Dives**

- 5.1 The purpose of the Deep Dive Report is to promote discussion and closer scrutiny of specific risks selected by the Audit Committee, to ensure appropriate controls are implemented and rationale adequately explained.
- 5.2 At the October meeting, the Audit Committee requested detailed reports in respect of the following 2 risks:
- **CR14 Staff Safety & Wellbeing**
  - **CR21 Project Safety Valve**
- 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 22 currently not at target level on the Corporate Risk Register, for Deep Dive analysis at their subsequent meeting.

## 6 Year in Review

- 6.1 2022/23 represents the first financial year of the Council's revised approach to presenting strategic risks on the Corporate Risk Register.
- 6.2 This section of the report provides an analysis of the management of these risks over the previous 12-month period.

### Risk scoring by quarter

- 6.3 During the course of the 2022/23 financial year, an average number of 22 risks have been recorded each quarter on the Corporate Risk Register. Each event has been identified by the Executive Team as having the potential to adversely impact the Council's strategic objectives
- 6.4 Over this period, an average of 71% of these risks have been scored as Significant.
- 6.5 Qualitatively, this implies a likelihood of "likely to almost certain" and an impact of "high to severe".

| Quarter                | No. Risks | Low (1-3) | Moderate (4-6) | High (8-12) | Significant (15-25) | % of Risks Scored (15-25) |
|------------------------|-----------|-----------|----------------|-------------|---------------------|---------------------------|
| 1                      | 22        | 0         | 2              | 4           | 16                  | 73%                       |
| 2                      | 20        | 1         | 0              | 5           | 14                  | 70                        |
| 3                      | 21        | 1         | 0              | 6           | 14                  | 67%                       |
| 4                      | 23        | 0         | 0              | 6           | 17                  | 74%                       |
| <b>2022/23 Average</b> | <b>22</b> | <b>1</b>  | <b>2</b>       | <b>5</b>    | <b>15</b>           | <b>71%</b>                |

### Risks closed during the financial year

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

| Risk Reference                                   | Key Potential Impact   | Original Risk Score | Target Risk Score | Date Closed   |
|--|--|---------------------|-------------------|---------------|
| CR8 Elections                                    | Failure to effectively deliver May 2022 Elections                          | 12                  | 4                 | July 2022     |
| CR18 Public Services Network (PSN) Accreditation | Risk to Council's status as a secure partner in relation to cyber security | 20                  | 4                 | July 2022     |
| CR17 Pharmaceutical Needs Assessment (PNA)       | Failure to meet statutory deadline for publication of PNA Assessment       | 10                  | 4                 | December 2022 |

#### Risks closed and redefined during the financial year

- **CR10 EU Exit Impacts**
- 6.7 During Quarter 2, this risk was proposed and approved to be included within the potential impacts of risk reference **CR1 Financial Sustainability**; and,
- **CR22 Special School Roof**
- 6.8 During Quarter 2, this risk was proposed and approved to be included within risk reference **CR16 Special Educational Needs and Disabilities**.

#### Risks monitored throughout the financial year

- 6.9 The table below provides an annual profile of each risks' score at quarterly review.

## Risks monitored throughout the financial year

| Risk Reference   | Original Risk Score | Risk Score |    |    |    | Target Risk Score | Annual Profile |
|--|---------------------|------------|----|----|----|-------------------|----------------|
|  |                     | Q1         | Q2 | Q3 | Q4 |                   |                |
| CR1 Financial Sustainability                           | 20                  | 16         | 25 | 25 | 25 | 9                 |                |
| CR2 COVID-19 Impact                                    | 20                  | 16         | 9  | 9  | 9  | 12                |                |
| CR3 Security & Resilience                              | 25                  | 20         | 20 | 20 | 20 | 10                |                |
| CR4 Digital Transformation                             | 20                  | 12         | 12 | 12 | 12 | 8                 |                |
| CR5 Increasing Demand Pressures                        | 16                  | 20         | 20 | 20 | 20 | 8                 |                |
| CR6 Climate Change                                     | 16                  | 16         | 16 | 16 | 16 | 12                |                |
| CR7 ICS Implementation & Establishment                 | 20                  | 12         | 12 | 12 | 12 | 8                 |                |
| CR9 Workforce Skills & Capability                      | 20                  | 25         | 25 | 25 | 20 | 12                |                |
| CR10 EU Exit Impacts                                   | 15                  | 15         | -  | -  | -  | 8                 |                |
| CR11 Building Management (Operational Health & Safety) | 20                  | 20         | 20 | 20 | 20 | 15                |                |
| CR12 Children's Social Care Services                   | 20                  | 20         | 20 | 15 | 15 | 10                |                |
| CR13 Regulatory Compliance                             | 25                  | 12         | 12 | 12 | 12 | 12                |                |
| CR14 Staff Safety & Wellbeing                          | 15                  | 15         | 12 | 12 | 16 | 8                 |                |
| CR15 Regeneration & Development                        | 15                  | 15         | 20 | 20 | 20 | 10                |                |

|  |    |    |    |    |    |    |  |
|--|----|----|----|----|----|----|--|
| CR16 Special Educational Needs & Disabilities        | 16 | 20 | 20 | 20 | 20 | 10 |  |
| CR19 Financial Capacity                              | 16 | 16 | 20 | 20 | 25 | 8  |  |
| CR20 Increasing Energy Prices                        | 25 | 25 | 25 | 25 | 25 | 20 |  |
| CR21 Project Safety Valve                            | 20 | 20 | 20 | 20 | 20 | 10 |  |
| CR22 Special School Roof                             | 20 | 20 | -  | -  |    | 10 |  |
| CR23 Adult Social Care Reforms                       | 15 | -  | 15 | 15 | 15 | 12 |  |
| CR24 Elections Act 2022                              | 25 | -  | 25 | 25 | 12 | 8  |  |
| CR25 Housing Conditions (Damp, Mould & Condensation) | 12 | -  | -  | 12 | 9  | 6  |  |

## 7 Recommendations

### 7.1 The Audit Committee is asked to:

- Note the update provided;
- Approve the recommended closure of risk CR2 COVID-19 Impact
- 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;
- Discuss the year-end analysis;
- Determine whether the level of assurance provided against the risks is sufficient;
- Identify any strategic risks that should be removed in preparation of the 2023/24 Corporate Risk Register and,
- Select two further risks to receive a “Deep Dive” review to be presented at the next meeting of the Audit Committee.