



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

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| <b>Meeting:</b>                        | Audit Committee                            |
| <b>Meeting date:</b>                   | 12 <sup>th</sup> October 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.

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)
- **6** risks are currently rated as High (risk score 8-12)
- **0** risks are currently rated as Moderate (risk score 4-6).

Of these **22** risks:

- **1** has increased in score
- **0** have decreased in score
- **20** have remained static
- **1** has been newly introduced

## **Recommendation(s)**

**That:**

The Audit Committee:

- Note the update provided;
- Receive the Corporate Risk Register at Appendix A;
- Review the Risk Matrix presented at Appendix B;
- Review the information presented;
- 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 one further risk 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 is routinely presented to Audit Committee. 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 reflect the current and target risk profile in respect to those risks on the appended register:

Current

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

Target

|        |   |            |   |   |   |   |
|--------|---|------------|---|---|---|---|
| Impact | 5 |            | 6 | 1 |   |   |
|        | 4 |            | 5 | 5 |   | 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

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### 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"> <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.

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### **Financial Implications:**

As this is the Corporate risk register, by their very nature some of the risks are financially specific others may require financial resource to mitigate Mitigating some of the risks may require financial resources and a number of risks are around organisational and services financial resilience.

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

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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          |
| H&C  | Health & Care                                 |
| 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 Council, collectively referred to as the Corporate Risk Register.
- 1.2. The report presents the risk position and status as at **Quarter 2 2023/24** and is the second report for the current financial year.

### **2. Background**

- 2.1. Following revision to the Council's approach to Risk Management, the Executive Team have developed a risk register that captures events and circumstances which have the potential to disrupt the Council's ability to meet its strategic and operational objectives.
- 2.2. The Corporate Risk Register is at Appendix A. 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 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 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 re-evaluate 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 (73%) are rated as significant:

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

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 |
|--------------|-----------|-----------|----------------|-------------|---------------------|------------------|
| BGI          | 3         |           |                | 1           | 2                   |                  |
| CC           | 5         |           |                | 2           | 3                   |                  |
| CYP          | 3         |           |                | 1           | 2                   |                  |
| Finance      | 2         |           |                |             | 2                   |                  |
| H&C          | 3         |           |                | 1           | 2                   |                  |
| OPS          | 5         |           |                | 1           | 4                   |                  |
| Multi (CR29) | 1         |           |                |             | 1                   |                  |
| <b>TOTAL</b> | <b>22</b> | <b>0</b>  | <b>0</b>       | <b>6</b>    | <b>16</b>           | <b>0</b>         |

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

- Does the Key Potential Impact accurately describe the real risk to the Council?
- Are the risk scores (Current and Target) reflective of the current position?
- Are the Current Controls still operating effectively?
- Do the Current Controls articulate how they contribute to managing

the risk?

- Have or will the Planned Actions achieve or go towards mitigating the risk further?
- Horizon scanning – Is the Committee aware of any significant changes that could affect the risk in the future?

## 4 Trend Analysis

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

### Risks that have increased in score

4.2 During this reporting period, **1** risk has increased in score:

- **CR6 – Climate Change**

### 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, **20** risks have remained static:

- **CR1 – Financial Sustainability**
- **CR3 – Security & Resilience**
- **CR4 – Digital Transformation**
- **CR5 – Increasing Demand Pressures**
- **CR7 – ICS Implementation & Establishment**
- **CR9 – Workforce Skills & Capability**
- **CR11 – Building Management**
- **CR12 – Children’s Social Care Services**
- **CR13 – Regulatory Compliance**
- **CR14 – Staff Safety & Wellbeing**
- **CR15 – Regeneration & Development**
- **CR16 – Special Educational Needs & Disabilities**
- **CR19 – Financial Capacity**
- **CR20 – Increasing Energy Prices**
- **CR21 – Project Safety Valve**
- **CR23 – Adult Social Care Reform**
- **CR25 – Housing Conditions**
- **CR26 – Increasing Fuel Costs & New Red Diesel Restrictions**
- **CR27 – General Contract / Tender Inflation**
- **CR28 – Asylum & Immigration**

### 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.
- **CR12 – Children’s Social Care Services** (*proposed to remain for oversight*)
  - **CR13 – Regulatory Compliance** (*proposed to remain for oversight*)
  - **CR26 – Increasing Fuel Costs & New Red Diesel Restrictions** (*proposed to remain for oversight*)

## New risks

- 4.7 During this reporting period **1** new risk has been added to the Corporate Risk Register:
- **CR29 Reinforced Autoclaved Aerated Concrete**

## 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 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 At the July meeting, the Audit Committee requested detailed reports in respect of the following 3 risks:
- **CR1 – Financial Sustainability**
  - **CR15 – Regeneration & Development**
  - **CR16 – Special Educational Needs & Disabilities**
- 6.3 These reports are included within Appendix C for review, analysis and discussion.
- 6.4 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. During the meeting in July, **CR20 – Increasing Energy Prices** was selected for the meeting to be held in December, therefore 1 further risk requires selection.

## 7 Risk Management Strategy

- 7.1 In November 2019, a revised Risk Management Strategy was introduced, which reinforced the use of a 5x5 matrix (see Appendix B) and provided some descriptors of risk to aid quantification of both impact and likelihood, however the advent of Covid-19 in March 2020 meant that the strategy was not fully rolled out.
- 7.2 Since June 2020, significant work has been undertaken to implement a robust approach to risk management across Bury Council, commencing with the introduction of a framework that has been rolled out across all directorates. This was later supplemented with information and guidance sessions department by department to further embed a culture of dynamic risk identification and proactive management.

- 7.3 Risk Owners moved toward a comfortable rhythm of analysing risks due for review in the relevant reporting month and including risk as a standing item on departmental team meetings.
- 7.4 In March 2023, a new Risk Manager was appointed, who's key role is to shape and lead developments in Risk across the organisation, ensuring that risk management remains an effective and integral part of the Council's governance and decision-making arrangements. They are responsible for promoting a positive risk management culture within Bury, implementing the risk management framework and approach, and continuing to develop an effective infrastructure for managing and reporting risk across the Council.
- 7.5 Workshops have been underway since their appointment and the ethos and intention of their objective is already being well embedded. The Corporate Risk Register continues to be reviewed and maintained, Departmental Risk Registers are being reviewed, and Service Risk Registers being developed.
- 7.6 As the Council and Risk Manager are keen to further improve their approach to risk management in order to mitigate any potential factors that will affect the Council's objectives, during the meeting in July 2023, the Audit Committee approved the review and refresh of the Risk Management Strategy and work is well underway with this. A further updated position will be presented to Audit Committee during the meeting in December 2023.

## **8 Recommendations**

- 8.1 The Audit Committee is asked to:
- Note the update provided;
  - Receive the Corporate Risk Register at Appendix A;
  - Review the Risk Matrix presented at Appendix B;
  - Review the information presented;
  - 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 one further risk to receive a "Deep Dive" review to be presented at the next meeting of the Audit Committee.