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

Report to:	Audit Committee	**Meeting Date:** 25 July 2024
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 with regards to the risks identified and assessed on the Council's Corporate Risk Register as at the end of Quarter 1. 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 2023/2024 Corporate Risk Register to support their annual review of strategic risks and the approach taken to their management.

A total of **23** risks are present on the Corporate Risk Register and have been identified as those of a genuine corporate nature and are summarised as follows:

14 risks are currently rated as Significant (risk score 15-25)
8 risks are currently rated as High (risk score 8-12)
1 risk is currently rated as Moderate (risk score 4-6)

- **0** have increased in score
- **3** have decreased in score
- **19** have remained static
- **1** has been newly introduced
- **2** of the static risks have not been reviewed in the last reporting period
- **1** of the decreased risks is proposed for closure

Recommendation(s)

1. Members note this report;
2. Receive the Corporate Risk Register at Appendix A;
3. Review the Risk Matrix presented at Appendix B;
4. Review the information presented;
5. Review, analyse and discuss the Deep Dive Report at Appendix C;
6. Determine whether the level of assurance provided against the risks is sufficient;
7. Approve the closure of CR25 – Housing Conditions (Damp, Mould and Condensation)
8. Select two risks to receive a "Deep Dive" review to be presented at the next meeting of the Audit Committee.
9. Note and approve the revised Risk Management Strategy

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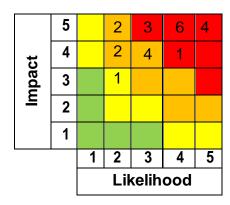E-mail: l.kirkman@bury.gov.uk
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Background

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.
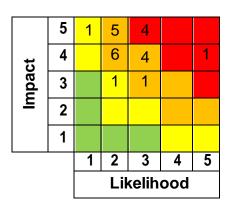
Key Considerations

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		2	3	6	4
4		2	4	1	
3		1			
2					
1					
	1	2	3	4	5

Likelihood

Target

Impact						
5	1	5	4		
4		6	4		1
3		1	1		
2					
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.*

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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.

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Consultation:

N/a
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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.

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Financial Implications:

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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Background papers:

- Corporate Risk Register at Appendix A;
- Risk Matrix at Appendix B;
- Deep Dive Reports at Appendix C;
- Risk Management Strategy June 2024
- Equality Impact Assessment June 2024

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
H&C	Health & Care Department
FIN	Corporate Core Finance Department
OPS	Operations 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 as at 30th June 2024, and is the first report for the current financial year.

1.3. Furthermore, the report provides an analysis of the 2023/2024 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. The Corporate Risk Register is at Appendix A. This repository 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, 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 **23** risks on the Corporate Risk Register. Of these 23, 19 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 23 risks, 14 (61%) are rated as significant:

No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)
23	0	1	8	14

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)
BGI	1	0	0	0	1
CC	9	0	0	4	5
CYP	3	0	0	1	2
Finance	2	0	0	0	2
H&C	3	0	0	2	1
OPS	4	0	1	1	2
Multi (CR29)	1	0	0	0	1
TOTAL	23	0	1	8	14

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, **0** risk have increased in score

Risks that have decreased in score

4.3   During this reporting period, **3** risk have decreased in score:
1. **CR25 – Housing Conditions (Damp, Mould and Condensation)** *(propose to close)*
2. **CR28 – Asylum and Immigration**
3. **CR30 – Staff Safety**

Risks that have remained static

4.4   During this reporting period, **18** risks have remained static:
- **CR1 – Financial Sustainability**
- **CR3 – Security and Resilience**
- **CR4 – Digital Transformation**
- **CR5 – Increasing Demand Pressures**
- **CR6 – Climate Change**
- **CR7 – ICB Implementation and Establishment**

- **CR9 – Workforce Skills and Capability**
- **CR11 – Building Management (Operational Health and Safety)**
- **CR12 – Children's Social Care Services**
- **CR13 – Regulatory Compliance**
- **CR15 – Regeneration and Development**
- **CR16 – SEND**
- **CR19 – Financial Capacity**
- **CR20 – Increasing Energy Prices**
- **CR21 – Project Safety Valve**
- **CR23 – Adult Social Care Reforms and CQC Inspection**
- **CR29 – RAAC**
- **CR31 – Staff Wellbeing and Absence**
- **CR32 – General Election**

Risks that have not been reviewed

4.5 During this reporting period **2** risks have not been reviewed by their assigned Risk Owners:
- **CR3 – Security and Resilience**
- **CR4 – Digital Transformation**

Risks that have reached their target level

4.6 During this reporting period **4** risks have reached their target level:
- **CR12 – Children's Social Care Services** *(to remain for oversight)*
- **CR13 – Regulatory Compliance** *(to remain for oversight)*
- **CR23 – ASC Reforms and CQC Inspection** *(to remain for oversight)*
- **CR25 – Housing Conditions (Damp, Mould and Condensation)** *(propose to close)*

New risks

4.7 During this reporting period **1** new risk has been added to the Corporate Risk Register:
1. **CR33 – Housing Service Transition**

5   Risks Presented for Closure

5.1 Since the last meeting of the Audit Committee, **1** risk has been identified as recommended for closure:
   1. **CR25 – Housing Conditions (Damp, Mould and Condensation)**
   The risk has reduced following increased capacity and workload management. Although the proposal is to remove from the Corporate Risk Register, it will still remain on the Departmental Risk Register for ongoing monitoring and management.

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 March meeting, the Audit Committee requested detailed reports in respect of the following risk:
- **CR31 – Staff Wellbeing and Absence**

6.3   The Deep Dive report is included within Appendix C for review, analysis and discussion.

6.4   In this regard, the Audit Committee are requested to select two further risks from the open risks captured on the Corporate Risk Register, for Deep Dive analysis at their subsequent meeting.

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, although this strategy is currently being followed.

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, as well as the attaining a risk management qualification in February of this year via the Institute of Risk Management, to ensure correct processes are followed.

7.6   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, and a factor to achieve this is via review of the Risk Management Strategy and ensuring appropriate roll out across the Council.

7.7   Approval for the revised Strategy was sought at the Senior Leadership Group meeting in June 2024, along with the supporting Equality Impact Assessment.

7.8   The key points of the Strategy are as follows:

        1. The Aim, which sets out how risk management is seen as a key element in the successful achievement of Council's priorities and that it is also an essential dimension of the Corporate Plan
        2. How effective risk management has a number of benefits
        3. The roles and responsibilities of Officers
        4. Risk and risk management definitions
        5. A toolkit of identifying, analysing, prioritising, managing, monitoring and reporting of risk

7.9   An Equality Impact Analysis has been undertaken to support the Strategy. This explores the impact that the Strategy may have on protected characteristics and provides mitigating actions, to ensure that all staff members can fully engage with the Strategy

7.10   The documents of *Risk Management Strategy June 2024* and *Equality Impact Analysis June*

2024 are contained within today's papers. Approval is sought for members to endorse the Strategy, whereby arrangements will then be made to circulate across the Council and ensure the same approach and ethos to risk management is embedded throughout.

8 Year in Review

8.1 This section of the report provides an analysis of the management of the risks present on the Corporate Risk Register during the financial year 2023/2024.

Risk scoring at each Audit Committee

8.2 During the course of 2023/2024, 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.

8.3 Over this period, an average of 68% of these risks have been scored as Significant.

8.4 Qualitatively, this implies a likelihood of "likely to almost certain" and an impact of "high to severe".

Audit Committee Date	No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)	% of Risks scored (15-25)
31/7/23	22	0	0	7	15	68%
12/10/23	22	0	0	6	16	73%
14/12/23	22	1	0	6	15	68%
6/3/24	23	0	0	7	16	70%
Year End (as at 31/3/24)	22	0	0	8	14	64%
2023/24 average	22	0	0	7	15	68%

Risks closed during the financial year

8.5 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	Key Potential Impact	Risk Score	Target Risk Score	Date Closed
CR24 Elections Act 2022	Failure to effectively implement the Elections Act 2022	12	8	July 2023
CR26 Increasing Fuel Costs & New Red Diesel Restriction	Tax relief on red diesel and high fuel prices	9	12	December 2023
CR27 General Contract/Tenders Inflation	Impacts to the construction industry regarding inflation, cost of materials and skilled labour	2	2	December 2023

Risks closed and redefined during the financial year

8.6

- **CR14 Staff Safety and Wellbeing**

At the meeting in March 2024, this risk was closed and two separate risks added, due to the differing key potential impacts of each: **CR30 Staff Safety** and **CR31 Staff Wellbeing and Absence.**

New Risks added during the financial year

8.7

- **CR29 Reinforced Autoclaved Aerated Concrete (RAAC)**
- **CR30 Staff Safety** (previously CR14)
- **CR31 Staff Wellbeing and Absence** (previously CR14)
- **CR32 Elections Act 2022** (previously CR24)

Risks monitored throughout the financial year

8.8 The table below provides an annual profile of each risks' score at every Audit Committee meeting review. However, March 2024 reflects the position of the risk as at the date of the 31st March (and not the date of the meeting), to reflect their scores and status as at the end of the financial year.

Risk	Year End Score	Risk Score				Target Risk Score	Annual Profile
		Jul '23	Oct '23	Dec '23	Mar '24		
CR1 Financial Sustainability	25	25	25	25	25	9	→ → → →
CR3 Security and Resilience	20	20	20	20	20	10	→ → → →
CR4 Digital Transformation	12	12	12	8	8	8	→ → ↓ →
CR5 Increasing Demand Pressures	20	20	20	20	15	8	→ → → ↓
CR6 Climate Change	16	16	20	20	20	12	→ ↑ → →
CR7 ICS Implementation and Establishment	12	12	12	12	12	8	→ → → →
CR9 Workforce Skills and Capability	20	20	20	20	20	12	→ → → →
CR11 Building Management (Operational Health and Safety)	20	20	20	20	20	15	→ → → →
CR12 Children's Social Care Services	15	10	10	10	10	10	↓ → → →
CR13 Regulatory Compliance	12	12	12	12	12	12	→ → → →
CR14 Staff Safety and Wellbeing	16	16	16	16	-	8	→ → → ✖
CR15 Regeneration and Development	20	20	20	20	25	15	→ → → ↑
CR16 Special Educational Needs and Disabilities	20	25	25	25	25	10	→ → → →
CR19 Financial Capacity	25	20	20	20	20	8	↓ → → →

Risk							Trend			
CR20 Increasing Energy Prices	25	25	25	25	8	20	→	→	→	↓
CR21 Project Safety Valve	20	25	25	25	25	10	↑	→	→	→
CR23 Adult Social Care Reform	15	15	15	15	10	12	→	→	→	↓
CR24 Elections Act	12	12	-	-	-	8	→	✖	✖	✖
CR25 Housing Conditions (Damp, Mould and Condensation)	9	9	9	9	9	6	→	→	→	→
CR26 Increasing Fuel Costs and New Red Diesel Restrictions	16	12	12	9	-	-	↓	→	→	✖
CR27 General Contract / Tenders Inflation	20	20	20	2	-	-	→	→	↓	✖
CR28 Asylum and Immigration	20	25	25	25	25	10	↑	→	→	→
CR29 Reinforced Autoclaved Aerated Concrete (RAAC)	-	-	15	15	15	5	✖	✖	→	→
CR30 Staff Safety	-	-	-	-	16	8	✖	✖	✖	→
CR31 Staff Wellbeing and Absence	-	-	-	-	16	12	✖	✖	✖	→
CR32 Elections Act 2022	-	-	-	-	12	8	✖	✖	✖	→

9   Recommendations

9.1   The Audit Committee is asked to:

1. Note this report
2. Receive the Corporate Risk Register at Appendix A;
3. Review the Risk Matrix presented at Appendix B;
4. Review the information presented;
5. Review, analyse and discuss the Deep Dive Report at Appendix C;
6. Determine whether the level of assurance provided against the risks is sufficient;
7. Approve the closure of CR25 – Housing Conditions (Damp, Mould and Condensation)
8. Select two risks to receive a "Deep Dive" review to be presented at the next meeting of the Audit Committee.
9. Note and approve the revised Risk Management Strategy