

<b>Report to:</b>	Audit Committee	<b>Date:</b> 20 October 2025
<b>Subject:</b>	Progress Update from the Council to the Statutory Recommendation received from the External Auditor under schedule 7 of the Local Audit and Accountability Act 2014	
<b>Report of</b>	Director of Finance S151 Officer	

## Summary

1. The Council's external Auditors, Forvis Mazars, presented the outcome of their audit work in relation to their judgements in the area of the Council's Value for Money arrangements for the 2021/22 and 2022/23 financial years to the December Audit Committee meeting. They identified three significant weaknesses in the Council's arrangements. These weaknesses are across all three reporting criteria that they are required to consider under the Code of Audit Practise, namely; financial sustainability, governance and for improving the economy, efficiency and effectiveness of services.
2. Forvis Mazars determined that use of their statutory reporting powers under the Local Audit Accountability Act 2014 was necessary and issued a statutory recommendation formally to the Chief Executive on 12 December 2024. They recommended that

"The Council should, as a matter of urgency, develop a comprehensive Council wide improvement plan to reflect the transformation and cultural change needed across all departments, to ensure the Council can deliver the range, level and quality of services that it deems appropriate and within its statutory responsibilities in a financially sustainable way. Appropriate management and member oversight is required to ensure the improvement plan is delivering changes that are embedded into the organisation."

A response was provided by the Council to the January 2025 Audit Committee meeting which included the publication and approval of an improvement action plan which was also subsequently approved at Council.

This report provides the third update on activity and delivery against this action plan with the previous updates being brought in April and July 2025 and highlights the improvement work that has been carried out by the Assurance Boards. In addition to the work carried out by the Boards there have been Council wide briefings, Senior Management sessions and Strategic Leadership Team engagement with the improvement work and compliance sprints.

This update provides the latest position against the wider Improvement Work Plan and Audit recommendations.

### **Recommendation(s)**

3. The Audit Committee is asked to:
  - a. Note the progress detailed in the action plan update.
  - b. Continue to endorse the action plan ensuring Member oversight through Audit and Overview and Scrutiny committees.

### **Reasons for recommendation(s)**

This report provides assurance of delivery and progress so far against the improvement plan that was developed in response to the statutory recommendation.

### **Alternative options considered and rejected**

4. n/a

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### **Background**

5. This report provides a third progress update on the Improvement Action Plan which was agreed by Audit Committee in January 2025. The last update was provided to the Audit Committee in July.

### **Improvement Action Plan Progress**

6. There continues to be progress made within expected target date across some of the plan. The plan in Appendix 1 was split into the following areas:
  - a. **Financial Resilience (including financial strategy):** All actions are on track or complete. The Finance Board continues to be run monthly overseeing the key milestones in the Improvement work plan. At September, the Board was updated on the opportunities from the zero based budget longlist and Medium Term Financial Strategy (MTFS) risk areas to be considered along with the immediate actions and budget timetable with the revised list of budget options to come back to the next board. This will then be on track for delivery of the MTFS, this matter will be considered by Cabinet at their meeting in November.

- b. **Finance Capacity and Transformation (actions in relation to the finance restructure):** With regards to Phase 1, job adverts are currently live for the strategic lead level roles, with the next tier down due to be advertised imminently. For Phase 2 – the completed work from the Zero Based Budgeting project has informed the structure required going forward, the job descriptions and consultation have been drafted with view to consultation going live in November.
- c. **Governance and Compliance including Estate Management and Leadership and Governance Arrangements:** All of these actions are now complete with assurance of delivery of the wider Improvement Work Plan being held with the Property and Estates Board.

### **Progress of the Six Assurance Boards**

Since the last report further development has taken place with regards to the functionality of the Boards. A workshop was held in August with the Board chairs to review and refresh documentation, links and escalations between the Boards and a reminder of decision making processes.

The output from the workshop along with other mapping exercises and review of the workplan is forming the basis of a six month review of the work of the Boards. The outputs of this will be reported at a later meeting.

The below provides a summary of Improvement Work Plan activity (in addition to above) by each Board:

#### **Commercial**

- Supported dissolution of Six Town Housing
- Continuing to develop and deliver the North Of Rock Area (NORA) acquisition strategy
- List of all joint ventures developed for review

#### **Finance**

- Approved updated contract procedure rules for roll out
- Procurement Sub-group set up to be responsible for continuous improvement
- Refresh of Social Value policy completed and approved
- Zero Based Budget process completed in preparation for Phase 2 of Finance restructure and MTFS delivery
- Quarterly monitoring approved before Cabinet

#### **Governance and Assurance**

- A Health and Safety sub-group has been set up to report into Governance and Assurance Board to allow for more detailed monitoring and delivery of Health and Safety actions.

- A new Compliance dashboard has been drafted to support escalation of issues and identification of any patterns or trends in performance. Some statistics include:
  - At March 2023, 89.3% of PDRs completed in the last 12 months compared to 50.1% the previous year.
  - 85.7% compliance with Health & Safety e-learning
  - A reduction in the average number of days taken to respond to Councillor casework from 9.3 days to 7.2 days.
- Internal Audit recommendations continue to be monitored and actioned (see end of this report)
- The Annual Governance Statement is at final draft stage and on track.

### **Performance, Delivery and Transformation**

- Digital roadmap for transformation has been presented and agreed.
- A first draft of the Transformation Strategy has been completed but further inputs are required in the next stage of development.
- Unit 4 Implementation is on track however two technical development areas are to be expedited with additional capacity to ensure planned Go Live in April.
- Corporate and Service Planning continues to be monitored for 2025/26 with a timetable in place to developing plans for 2026/27. This timetable should allow for an even earlier start for managers to create service plans and follow up with PDRs within timescale next year.
- Quarter 1 Corporate Plan performance was assured with Quarter 2 on track for publication.
- Discussion at Board regarding AI technology and support for tools to be used in Childrens Services.

### **Property and Estates**

- New Fire Safety strategy developed and supported by 55 new fire marshalls trained.
- New FM structure designed as part of wider restructure within Corporate Landlord
- Further expansion of Estates Transformation Programme supported by additional capacity
- Supporting ongoing site identification for Pupil Referral Unit
- Project Team established for Town Hall refurbishment programme
- Work to develop single asset list further with interface to Concerto or as part of financial transformation programme

### **Regeneration**

- Delivery of Bury Flexi Hall and Market: canopies 1 and 2 installed, foundation activity complete, delivery and installation of structural timber columns.

- Delivery of Radcliffe Hub and Market Chambers: solar panel installation complete, upper floor slab cast, link building frame and fit out completed.
- Prestwich Village: Phase 1a Travel Hub works complete, 1 week ahead of schedule
- Ongoing support for delivery of Northern Gateway

#### **List of demonstrable improvements:**

- Fixed asset register produced with 635 properties identified. The list has been reconciled between Finance and Land and Property.
- Full RAAC assurance now achieved across schools, housing, commercial and administrative buildings.
- FAGEL assurance provided for key administrative buildings and underway for wider estate
- Significant investment and recruitment into Facilities Management/Corporate Landlord structure
- Procurement transformation plan has been approved
- Unit 4 project – Technical specifications for period July – September have been delivered. Chart of account principles agreed in February 2025, chart of accounts agreed pre ZBB process in July, post ZBB chart of accounts on track to be signed off on 1<sup>st</sup> November 2025.
- For neighbourhoods: List of council owned properties developed, detailed neighbourhood profiles currently being refreshed, placemats which describe the community capacity available in each area, funding approved to recruit to a neighbourhood estates strategy programme lead and specification for GM Live Well hubs in place.
- Additional subgroups set up for the Board as need has been identified (Procurement and Health & Safety).
- With regards to annual PDRs, prior to January 2025 despite regularly monthly communications highlighting compliance, it remained consistently around 55%. A targeted programme at the start the year using a combination of communications from senior management and engagement at manager forums resulted in a 89.3% compliance rate in March 2025.
- With regards to Ombudsman complaints, for Bury 71% of complaints investigated were upheld compared to 81% in similar authorities. Ombudsman decisions for 24/25 have shown a reduction in upheld cases. In 23/24 - 26 matters were investigated and 23 upheld  
In 24/25 - 14 matters were investigated and 10 upheld
- In terms of monitoring the LGO process and tackling the large number of complaints in Children's Services, sometimes involving the same complainant with multiple complaints. Officers maintain an accurate record and meet the required deadlines with support from the Council's LGO link Officer who has developed a matrix tool. This is sent to relevant Officers and Directors to make them aware of live cases with deadlines for actions required and evidence to be produced for the LGO. The latest data shows the impact of this process and demonstrates the improvements made.

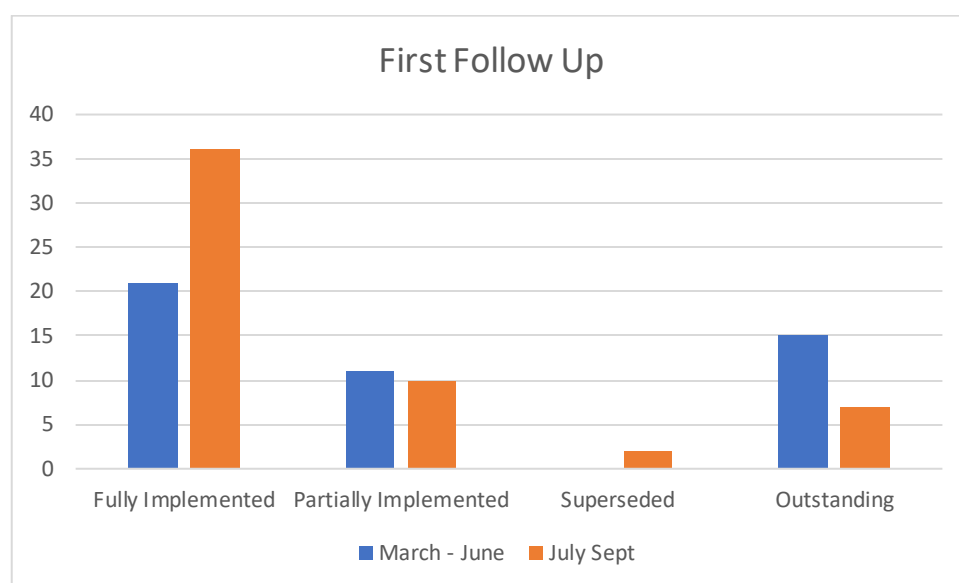
- The LGO have welcomed significant strides the Council has made over the last 18 months improving its complaint functions. In addition there is now a centralised Policy and Compliance team that oversees all casework and compliance. Additional oversight and accountability is provided by the Council's Overview and Scrutiny Committee. (The LGO report will be on the November 2025 meeting agenda).
- Senior Management Forum events have focused on a culture of compliance with a rotation of key themes. In May the focus was on Health and Safety, Service Planning and Risk Management. In September this was key process compliance, complaints, member casework and Information Governance.
- Information Governance performance monitoring is completed by Governance and Assurance Board on a monthly basis. This will be supported going forward by the newly developed dashboard.
- The Information Governance policy framework has been reviewed, all policies has been reviewed in line with legislative requirements. All documentation is available on the Council's intranet site. Data breach recording has been reviewed and an electronic reporting system is now in place.
- The Record Of Processing Activity (ROPA) has been audited and this has provided a moderate level of assurance and listed a number of areas of good practice including that it is stored on SharePoint with restricted access ensuring that it cannot be amended by unauthorised personnel and in addition is automatically backed up every 12 hours through our Microsoft processes. The ROPA template contains suitable headings that cover all the information required to be compliant with GDPR. The responsibilities of Information Asset Owners, Managers & Administrators are detailed in new intranet pages and in the IG framework which was approved in November 2024. A full annual ROPA review process has been created and approved and commenced in September 2025. A Managers IG Guidance document has been added to the intranet. The document informs managers that they are responsible for reviewing the ROPA at least annually and provides relevant information as well as a step-by-step guide to completing the ROPA. The Policy & Compliance Team have been proactive in advising system owners that they must complete the ROPA. A reminder was issued to all Directors in October 2024 and the team carried out a drop-in session at a Senior Managers event in February 2025.

## **Audit Recommendations Progress**

As reported at September Governance and Assurance Board the total number of recommendations currently being tracked is 21. This comprises of 15 from the original set of recommendations (as of January 2025), and 6 recommendations from follow ups which have taken place since January 2025. 9 recommendations relate to system updates. The upgrade to information at work has taken place, all work has taken place to provide assurance that documentation is held in line with our GDPR

obligations. Governance and Assurance Board are assured that relevant and updated retention policies are held by services. The work required to comply with the historic recommendation is being overseen by the performance, delivery and transformation Board. All other audit recommendations have a completion date and are tracked by the Board.

Governance and Assurance Board now receive updates regarding the compliance with audit recommendations at first and second stage follow ups; this has shown an improvement in compliance with audit recommendations at an earlier stage. The table below shows compliance with audit recommendations at first and second follow ups for the periods March – June and July – September.




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### Links with the Corporate Priorities:

*The production and publication of the Statement of Accounts and value for money opinion provides valuable information to the residents of the Council and to its suppliers. Responding and providing assurance to our external auditors reaffirms that a strong financially sustainable Council is essential to the delivery of the Let's do it Strategy.*

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### Equality Impact and Considerations:

*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. 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. Internal Audit provide assurance to Committee Members and the public that the organisation is delivering services in line with agreed policies and procedures which have considered the requirements of the Equality Act 2010.*

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**Environmental Impact and Considerations:**

*n/a no decision required*

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**Assessment and Mitigation of Risk:**

<b>Risk / opportunity</b>	<b>Mitigation</b>
Reputational risk	This update response to our improvement plan provides assurance as to the delivery of the improvements required

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**Legal Implications:**

*To be completed by the Council's Monitoring Officer.*

7. This is an update on the progress of the improvement plan pursuant to auditors recommendations. Audit Committee agreed the actions would be reviewed by Members with Audit and Overview and Scrutiny Committee receiving regular reports on the Council's progress

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**Financial Implications:**

*To be completed by the Council's Section 151 Officer.*

8. The annual production and audit of the statement of accounts and review of value for money arrangements are an essential part of any organisation and represent the financial position of the business for that particular financial year. For public sector organisations they are statutory and give the public and central government assurance that taxpayers money is being expended in an economic and efficient way. Approval of the improvement plan and the ongoing review of its delivery will provide assurance that the issues identified by the external auditors are addressed.

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**Appendices:**

Appendix 1: Improvement Plan Activity Tracker

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**Background papers:**



*Please list any background documents to this report and include a hyperlink where possible.*

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

<b>Term</b>	<b>Meaning</b>
MAG	Members Assurance Group
ELT	Executive Leadership Team
RAAC	Reinforced autoclaved aerated concrete
NORA	North of Rock Area
MTFS	Medium term financial strategy
GAB	Governance and Assurance Board
IG	Information Governance
ROPA	Record of Processing Activity
LGO	Local Government Ombudsman

## Appendix 1: Improvement Plan Activity Tracker

Improvement Theme	Improvement Action	Council Response	Timescale	Officer	Member	RAG	Comments
Financial Resilience	Financial Strategy	The S151 to chair a monthly strategic finance board, made up of senior officers from all of the service directorates, with responsibility for monitoring delivery of the in-year revenue budget and capital delivery programme and production of the subsequent years' revenue budget, capital programme and medium term financial strategy	Feb-25	Director of Finance	Cllr Thorpe	COMPLETE	Now Complete.
Financial Resilience	Financial Strategy	Detailed 2026/27 budget timetable agreed setting out the approach, workstreams and timelines supporting production of proposals to address the structural funding gap. This will build on the agreed strategy and involve a zero based budget review of all council services and identification of proposals that will enable a balanced budget to be set without recourse to reserves over the current medium term financial strategy the timetable and approach will include the identification of additional capacity requirements to support the budget work and be funded from the ongoing capital receipt flexibilities in place to support council and service transformation	Mar-25	Director of Finance	Cllr Thorpe	COMPLETE	Now Complete.

Financial Resilience	Financial Strategy	Development of budget proposals, involving the wider workforce, on a service basis through consideration of: The key cost drivers affecting their services, Current service performance levels including a productivity assessment and how they compare to benchmark councils and 'best in class', Current service standards being operated to and the scope for changes in those standards including any elements of the service that could be stopped or reduced, Consideration of different models of service delivery, Opportunities from implementing different ways of working, including self-service if appropriate, The impact of their proposals on other service areas i.e. either in requiring their input and support in delivering the change or in potentially increasing costs elsewhere, Opportunities for additional income generation, The impact of their proposals on the customer	Oct-25	Director of Finance	Cllr Thorpe	ON TRACK	
Finance Capacity and Transformation	Finance Restructure	Consult on phase 1 of new Finance Structure	Jan-25	Director of Finance	Cllr Thorpe	COMPLETE	Now Complete.
Finance Capacity and Transformation	Finance Restructure	Begin Recruitment to phase 1 of new Finance Structure	Mar-25	Director of Finance	Cllr Thorpe	BEHIND	Recruitment partners procured, expect recruitment to start in July

Finance Capacity and Transformation	Finance Restructure	Develop phase 2 of new Finance Structure for consultation informed by the Unit 4 upgrade transformation programme	Sep-25	Director of Finance	Cllr Thorpe	<b>BEHIND</b>	Job descriptions and consultation drafted with view to go live in November
Finance Capacity and Transformation	Unit 4 ERP System Upgrade	Agree detailed programme plan, capacity requirements and governance arrangements to enable delivery of the upgraded system and planned benefits in April 2026	Feb-25	Director of Finance	Cllr Thorpe	<b>COMPLETE</b>	Now Complete.
Governance and Compliance	Estate Management	Completion of the remaining RAAC's surveys and any subsequent actions undertaken as may be required	Feb-25	Executive Director Place	Cllr Quinn	<b>COMPLETE</b>	Now Complete.
Governance and Compliance	Estate Management	Completion of single reconciled estate asset register	Apr-25	Executive Director Place	Cllr Quinn	<b>COMPLETE</b>	Now Complete.
Governance and Compliance	Estate Management	Consolidation of the council's property function within the new Place Directorate with responsibility for: Strategic Asset Management including delivery of the planned reduction in the size of the estate, Identification and delivery of planned and cyclical maintenance, Property compliance and safety, Responsive repairs	Apr-25	Executive Director Place	Cllr Quinn	<b>COMPLETE</b>	Now Complete.
Governance and Compliance	Leadership and Governance Arrangements	Establishment of six new assurance boards with agreed terms of reference and 12 month forward plan, to ensure that there is a culture of compliance across the Council, the Boards will provide management oversight across Council activity, the work of the Boards will align to the corporate plan	Feb-25	Director of Law and Governance	Cllr Rafiq	<b>COMPLETE</b>	Now Complete.

Governance and Compliance	Leadership and Governance Arrangements	Governance and Assurance Board will have responsibility for overseeing implementation of all outstanding recommendations from internal audit reports, which is currently the role of the corporate governance group.	Feb-25	Director of Law and Governance	Leader and Cabinet Members via MAG	<b>COMPLETE</b>	Now Complete.
Governance and Compliance	Leadership and Governance Arrangements	Terms of reference (TOR) prepared for all Boards/Member Assurance group and revised TOR for ELT	Feb-25	Director of Law and Governance	Leader and Cabinet Members via MAG	<b>COMPLETE</b>	Now Complete.
Governance and Compliance	Leadership and Governance Arrangements	The assurance reports will be formally received by a Members Assurance Group made up of Cabinet members.	Mar-25	Director of Law and Governance	Leader and Cabinet Members via MAG	<b>COMPLETE</b>	Now Complete.
Governance and Compliance	Leadership and Governance Arrangements	Revised PDR and Induction processes and documentation to reflect updated compliance, control and management requirements and related management development needs.	Mar-25	Director of People and Inclusion	CIr Rafiq	<b>COMPLETE</b>	Now Complete.
Governance and Compliance	Leadership and Governance Arrangements	Officer declarations of interest will now be held by the Director of Law & Governance, this will bring Officer declarations in line with the system currently in place for Members. This will be in addition to the existing conflict/declarations of gifts and hospitality reporting procedures	Dec-24	Director of Law and Governance	CIr Rafiq	<b>COMPLETE</b>	Now Complete.