OPEN

Audit and Governance Committee

7 March 2024

Risk Management Q2 Update

Report of: David Brown, Director of Governance and Compliance, Monitoring Officer

Report Reference No: AG/20/23-24

Ward(s) Affected: All Wards

Purpose of Report

1   Effective risk management is central to good governance and supports the efficient delivery of the Council's corporate plan objectives. The Audit and Governance Committee provides an independent assurance to the Council on the adequacy of the risk management framework, and this report supports the Committee with this assurance.

Executive Summary

2   This report provides the Audit and Governance Committee with an update on the Strategic Risk Register for the period of Quarter 2 2023/24, and an overview of other risk management activity in the organisation. Appendix A covers the Strategic Risk Register in detail.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. To consider the update provided by this report to the Audit and Governance Committee.

Background

3   Risks included on the Strategic Risk Register are those which materially threaten the organisation's ability to achieve its strategic goals; in this case our objectives in the Corporate Plan 2021-25. This could be in the form of an individual threat to a specific objective, or the compound effect of a threat across several areas.

4   Items on the Strategic Risk Register are "owned" by members of the Corporate Leadership Team (CLT) and are reviewed on a quarterly basis. Co-ordination and administration of the Strategic Risk Register and the Risk Management Framework is undertaken by the Head of Audit and Risk Management.

5   Updates on the Strategic Risk Register are provided on a quarterly basis to the Corporate Policy Committee, alongside the updates on the organisation's financial performance and performance against the Corporate Plan objectives, to provide a comprehensive review and understanding of the Council's position throughout the year.

6   Regular updates are also provided to the Audit and Governance Committee to support the committee in its assurance role on the adequacy of the risk management framework.

7   Since the last update to the Audit and Governance Committee in July 2023, the quarterly reviews of the Strategic Risk Register for Quarter 1 (ending June 2023) and Quarter 2 (ending September 2023) have been undertaken and reported to the Corporate Policy Committee, in October 2023 and January 2024 respectively.

8   The Quarter 3 update will be reported to Corporate Policy on 21st March 2024. That report will also include summaries of the strategic risk registers of the Council's wholly owned companies, as agreed by Corporate Policy Committee on 18 January 2024. Full details of those registers will be included as appendixes. The next report to this committee will also include risk information provided by the wholly owned companies.

Summary of Quarter 2 review

9   Revisions to the register were made to ensure that the scope and detail of the individual risks, and the overall coverage of the register was reflective of the threats to the organisation achieving its strategic objectives and maintaining business as usual service delivery. Where items were removed from the Strategic Risk Register, they continue to be considered at operational levels, and can still be escalated back for inclusion on the Strategic Register at a later date.

10   That review resulted in the restating of SR09, SR10, SR11 and SR12, along with the addition of SR07 and SR08. These changes have been included within the report and Appendix so that Members are sighted on the latest position given the changing nature of these risks.

11   Full details of the individual risks are provided in Appendix A. In addition to the revisions in the register, the content of this covering report in relation to the key changes since Quarter 1 has been organised slightly

differently, to align the risks to the relevant service committee. A change also made in the Quarter 1 report to Corporate Policy Committee.

12 Table 1 shows the position of the Strategic Risk Register after the Quarter 2 review undertaken: with the gross, net and target score for each risk, along with the target date in place for achieving the target score. The table is organised by highest to lowest net risk for Q2.

Table 1 – Strategic Risk Register, highest net score to lowest

Ref	Risk	Q2 Gross	Q2 Net	Q2 Target
SR04	Dedicated School Grant Deficit	16	16	12
SR06	Failure to Achieve the MTFS	16	16	9
SR19	HS2 Infrastructure Investment	16	16	N/A
SR01	Increased Demand for Adult's Services	16	12	9
SR03	Complexity and Demand for Children's Services	16	12	12
SR07	Leadership Capacity	16	12	8
SR08	Ability to Achieve Organisation Change	16	12	8
SR10	Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks	12	12	8
SR12	Stakeholder Expectation & Communication	16	12	9
SR13	Information Security and Cyber Threat	16	12	12
SR16	Failure of the Local Economy	16	12	12
SR02	Fragility and failure in the Social Care Market	16	9	9
SR05	Delivery of the JTAI improvement plan	16	9	6
SR09*	Recruitment & Retention	16	9	9
SR11	Failure to Adhere to Agreed Governance Processes	16	9	6
SR14	Business Continuity	12	9	6
SR17	Climate Change (CEC Carbon Neutral Status 2025)	16	9	6
SR18	Local Planning Authority Modernisation Plan	12	9	6
N/A**	Insufficient and Non-Compliance with Financial Processes	16	8	8
SR15	Capital Projects – Place	16	8	8

* Previous called Organisation Capacity & Demand

** Risk only included for context of the risk review, not to be reported on going forwards

13   Table 2 shows the position of the Strategic Risk Register based on the Q2 update against the previous quarter; due to the number of changes made to the risk content, there are some gaps on this table.
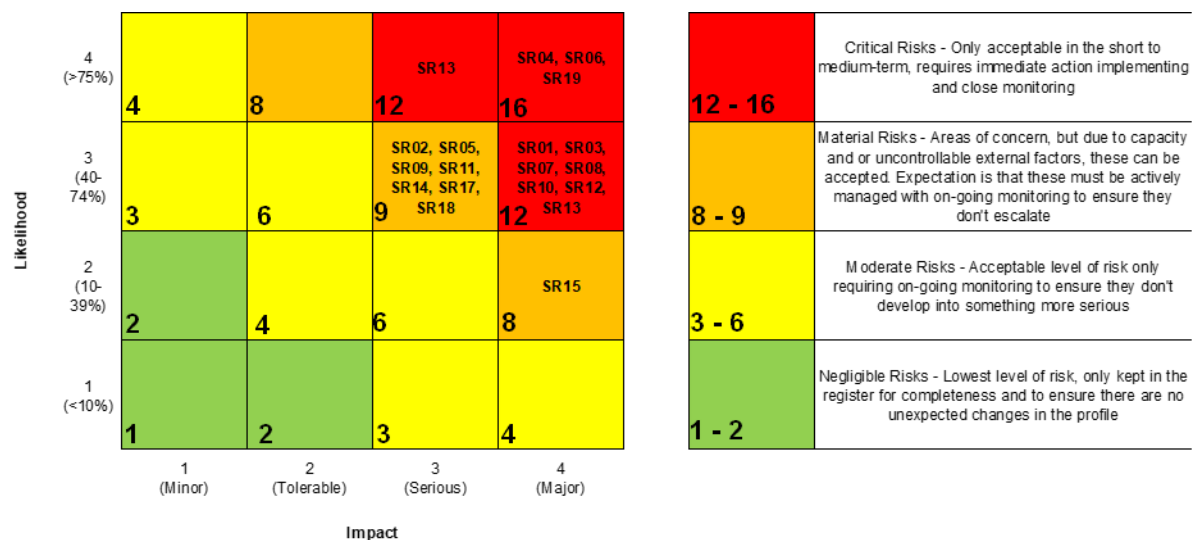
Table 2 – Strategic Risks Direction of Travel

Ref	Risk	Q1 Net	Q2 Net	Direction of Travel
SR01	Increased Demand for Adult's Services	12	12	↔
SR02	Fragility and failure in the Social Care Market	9	9	↔
SR03	Complexity and Demand for Children's Services	16	12	↓
SR04	Dedicated School Grant Deficit	-	16	NEW
SR05	Delivery of the JTAI improvement plan	12	9	↓
N/A*	Insufficient and Non-Compliance with Financial Processes	-	8	NEW
SR06	Failure to Achieve the MTFS	12	16	↑
SR07	Leadership Capacity	-	12	NEW
SR08	Ability to Achieve Organisation Change	-	12	NEW
SR09**	Recruitment & Retention	12	9	↓
SR10	Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks	12	12	↔
SR11	Failure to Adhere to Agreed Governance Processes	9	9	↔
SR12	Stakeholder Expectation & Communication	12	12	↔
SR13	Information Security and Cyber Threat	12	12	↔
SR14	Business Continuity	9	9	↔
SR15	Capital Projects - Place	8	8	↔
SR16	Failure of the Local Economy	12	12	↔
SR17	Climate Change (CEC Carbon Neutral Status 2025)	9	9	↔
SR18	Local Planning Authority Modernisation Plan	9	9	↔
SR19	HS2 Infrastructure Investment	9	16	↑

* Risk only included for context of the risk review, not to be reported on going forwards

** Previous called Organisation Capacity & Demand

14   The heat map below (Chart 1) shows the concentration of critical and material rated risks.

Chart 1 – Strategic Risks Heat Map

Likelihood	1 (Minor)	2 (Tolerable)	3 (Serious)	4 (Major)
4 (>75%)	4	8	SR13 — 12	SR04, SR06, SR19 — 16
3 (40-74%)	3	6	SR02, SR05, SR09, SR11, SR14, SR17, SR18 — 9	SR01, SR03, SR07, SR08, SR10, SR12, SR13 — 12
2 (10-39%)	2	4	6	SR15 — 8
1 (<10%)	1	2	3	4

Impact

12 - 16	Critical Risks - Only acceptable in the short to medium-term, requires immediate action implementing and close monitoring
8 - 9	Material Risks - Areas of concern, but due to capacity and or uncontrollable external factors, these can be accepted. Expectation is that these must be actively managed with on-going monitoring to ensure they don't escalate
3 - 6	Moderate Risks - Acceptable level of risk only requiring on-going monitoring to ensure they don't develop into something more serious
1 - 2	Negligible Risks - Lowest level of risk, only kept in the register for completeness and to ensure there are no unexpected changes in the profile

Quarter 2 Risks Updates by Service Committee

Adults and Health Committee

15   There are no changes proposed to the scope or current net score of the risk of "Increased Demand for Adults Services". Key activity in managing this risk now includes monitoring of all support and care plans occurring three times a week, with the Director of Adult Social Care monitoring around 150 cases per week. Demand is constant and the cost of individual care packages remains high, with an increasing number at the c £2,000 per week mark. Further action in managing this risk is being progressed through the development of business cases for change.

16   The strategic register previously included the risk of further pandemic viruses. After review and discussion, recognising that this risk had achieved and sustained its target score (6) this has now been removed from the strategic risk register. Risks around the failure of public health protection arrangements, resulting in significant and widespread detriment to resident's health and wellbeing are being monitored at the operational level.

17   There are no changes proposed to "Fragility and Failure in the Social Care Market" risk in terms of description or score. Cheshire East has invested in care at home which stabilised the market, reduced waiting list for care at home and enabled the shift from non-commissioned providers which increased during Covid. However, inflation is impacting care market capacity. Some of this is driven by recruitment and retention of staff, which has also meant that some providers have opted to undertake international recruitment activities. Inflation for council

services is running higher than normal inflation and Cheshire East is worse than other areas. Mitigating action includes:

a) The implementation of Care Cubed, and targeted negotiations with care providers disrupting the market, for example the use of block contracts;

b) Working with the Home Office and ADASS in terms of managing provider risk in relation to international recruitment; and

c) The development of a Workforce Strategy (internal and external).

Children and Families Committee

18   As part of the review undertaken, the former "Increased Demand for Children's Services" risk has been split into two, focusing separately on

a) "Complexity and Demand for Children's Services"; and

b) "Dedicated Schools Grant (DSG) Deficit"

19   The separation of the DSG aspect into a separate risk reduces the net risk score of the complexity risk to 12, which is the target score. However, this remains a critical risk for the organisation.

20   A workforce strategy has been developed for children's social care to support recruitment and retention as we know the quality and stability of our workforce is critical in offering strong support and enduring relationships to children and their families.

21   Local support for families has been strengthened through the development of family hubs across the borough. Family hubs bring council, health and community services together to create a whole-family approach and will improve the access and reach of services, supporting earlier intervention, and improve partnership working.

22   There has been no official statement from the government on whether the Household Support Fund will be continued from April 2024. If the fund is not continued, a paper will go to the April Children and Families Committee which will include an exit plan for the Household Support Fund along with consideration of how this may impact demand and risk mitigation. If the fund is continued, this paper will include delivery options for the new grant period.

23   We are developing an internal residential offer, mobilising our first children's home in January 2024, with a further two homes operational from Spring 2024. This will provide our cared for children with more opportunities to remain close to their communities and will provide

better value for money against rising placement costs. The integrated children's services strategy is a 4-year plan. We aim to see an incremental reduction in the risk as we implement our strategy with the aim to be at a low level of risk by 2026.

24   The Dedicated Schools Grant risk recognises the uncertainty around the deficit held, which continues to rise and the potential that it is not recoverable. The net and gross score for this is 16, with the target score of 12. In September 2023 the Children and Families Committee approved the DSG management plan for 2023/24 to 2027/28. It highlighted that without significant changes to funding the DSG reserve deficit will not be recoverable. Significant action is required to deliver savings to live within the budget as all indications are that demand, complexity and cost will continue to increase.

25   On 7 September 2023, the Council accepted an invitation from the Department for Education to start negotiations to join their Safety Valve programme, which will provide more help from the government to balance this aspect of our budget. The aim of the Safety Valve programme is to agree a package of reform to improve the performance of local authorities' high needs systems and ensure this is delivered in a sustainable way, for the benefit of children and young people, whilst bringing DSG deficits under control. Negotiations with the Department for Education are ongoing, and we are continuing to develop our plans ready for submission to government in January 2024. Agreement will be published on their website in March 2024.

26   There has been no change to the scope of the "Delivery of the JTAI Improvement Plan" risk, however the net score has reduced from 12 in Q1 to 9 for Q2. This reflects positive progression of the plan's implementation in the period. The multi-agency audit has been completed and shows evidence of improvements in practice for children who are at risk of exploitation. There is a multi-agency quality assurance forward plan being developed which will feature audits of cases where children are at risk of exploitation and an 11-month JTAI Improvement plan review is scheduled for December 2023 with the DfE. If the improvement plan achieves the anticipated impact on practice, the target score of 6 should be achieved in Q4 of 2023/24.

Corporate Policy Committee

27   The previous "Failure of Financial Management" risk has been redefined as "Insufficient and Non-Compliance with Financial Processes". This updated risk has a clear focus on the effectiveness of internal financial controls; planning, recording, allocation and review of transactions. The failure of which may result in an inability to secure and demonstrate good value for money or the misuse of ringfenced funding.

28   The internal financial controls that this risk focuses on are considered effective and that the risk is managed to an acceptable level. The updated risk has a net score of 8, equal to the target score identified. Controls range from technical, such as the financial systems, to policy controls, such as the Constitution including the Finance Procedure Rules. There is robust advice and oversight controls, business support and education from the Finance function and independent assurance from Internal and External Auditors.

29   Due to the operational nature of this risk, as described above, it will not be carried forwards as a strategic risk into Q3. However, it was felt important that the changes and its nature are explained through this update report to maintain openness and provide context for the next risk.

30   The previous "Failure to deliver MTFS Savings" and "Failure of Council Funding" risks have been refocused into a single risk. Now defined as "Failure to achieve the MTFS", the risk encapsulates the financial consequences of the organisation failing to achieve planned changes and manage its expenditure as agreed in the annual budget setting process. Failure to deliver the MTFS in the agreed timescales undermines the council's ability to manage its budget effectively in the current and future years. The highest possible rating was agreed for this risk (net score 16).

31   The second financial review of 2023/24 forecast a pressure of £18.7m by 31 March 2024.The third financial review of 2023/24 is now forecasting a pressure of £13m by 31 March 2024. The Council's General Fund balance is £14.1m (a relatively low level when compared to other councils) and earmarked revenue reserves are also limited in scale and scope, as regards their ability to offer 'one-off' options to support in-year spending levels.

32   Going beyond the budget monitoring arrangements effected early in the financial year, the spending management regime instigated at the start of Q3 is aimed at ensuring that all possible options are explored to control net spending in line with approved budget by the end of the financial year.

33   The High Needs/Special Educational Needs cumulative deficit was reported as £47m at March 2023, and is set to rise to £85.8m by March 2024 and to £243.5m by 2027. The Council has now begun conversations on entry to the DfE's Safety Valve Scheme. Solutions need to be delivered to ensure long-term sustainability of SEN services and alleviate the financial costs and risks to the General Fund (currently estimated at some £3m in interest charges).

34   The previous external funding risk which considered the amount of funding that the council receives but has no control over, has been removed. The updated risk, "Failure to achieve the MTFS", is more holistic and long-term than the previous MTFS savings risk in that it is expected to remain an enduring strategic risk even after circumstances change. For example, the risk would remain valid if the council was unable to effectively spend higher levels of funding as per the agreed MTFS or if it was achieving budget each year comfortably. While this risk takes a view from a financial perspective, there are several related risks which were also identified as part of on-going reviews of the register.

35   During discussions on the "Organisational Capacity and Demand" risk, it became clear that there were several different capacity challenges that the organisation is facing. These new risks are in the process of being fully assessed, however their scopes and scores have been agreed.

36   "Leadership Capacity"; the risk that the council's leadership team in not operating effectively and does not have the capacity to manage the full breadth of its responsibilities to an acceptable level. At the end of Q2, the leadership team was going through a period of change, carrying several temporary appointments and individuals covering multiple roles as part of acting up. Net score agreed as 12.

37   "Ability to Achieve Organisation Change"; to deliver its objectives and control expenditure while also responding to external events, the council needs to be able to implement change quickly. It was identified that the council has struggled with implementing change recently and the net score was agreed as 12.

38   "Recruitment and Retention"; the risk that HR related processes do not deliver the expected workplace or workforce. Without motivated and adequately skilled individuals, the council will be unable to maintain a sufficient level of value from the funding available to it. This risk carries forward many of the elements from the Organisational Capacity and Demand" risk but not those elements related to the two new risks noted above. Net score reduced from 12 to 9.

39   The "Political Uncertainty" risk has been adjusted to include an inward view as well as looking at the frequency and impact of external changes. Now described as "Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks", it considers the council's ability to manage policy changes in a timely manner. After the extension in scope, there is no change to the net score, it remains a 12 for Q2.

40   The cancellation of the HS2 Hub in Crewe demonstrates that central government decisions can negatively impact years of work and necessitate a fundamental shift in operations and fiscal planning. The council recognises the fast-moving pace of national politics and the high level of pressure on local government to maintain services while managing real-term funding cuts.

41   The risk had previously reflected uncertainty around the outcome of the May 2023 local elections. While that uncertainty has passed there does remain a level of inconsistency in local decision-making regarding the agreement and implementation of the decisions required to deliver the MTFS. On a national basis, the timing of a general election in 2024 remains uncertain.

42   The "Governance and Decision Making" risk has also been rephrased to make it consistent with the "Insufficient and Non-Compliance with Financial Processes" risk. The "Failure to Adhere to Agreed Governance Processes" risk does not see a change in its net score, it remains at 9.

43   The risk seeks to take a view on all areas of council activity and whether that activity is in line with our agreed processes. Answering the questions, 'Are decisions being made in the correct manner?', 'Is appropriate evidence being captured?' and 'Do individuals making those decisions have the authority?'. During the process to update the risks there was discussion upon compliance with regulatory requirements. It is acknowledged that those benchmarks are inherently considered in individual risks. For example, the "Complexity and Demand for Children's Services" would consider any regulatory obligations when assessing the level of service the council is able to deliver.

44   There was discussion on the nature of the existing "Reputation" risk, it was acknowledged that not everything the council does will be popular or is its role to be so. At times the council does have to make difficult and unpopular decisions, it must ensure it does this not only fairly but also communicate those decisions clearly and within their true context. The discussions identified three question which were used to help shape and assess the risk:

        a) Reputation of the Council with which audience?

        b) What is the impact of a poor reputation with that audience? and

        c) What metrics do we used to measure improvement?

It was acknowledged that the council has multiple stakeholders with residents being the most important group. It was also identified that understanding stakeholder expectations was key to not only good

decision-making but also to effective communication. The updated risk was agreed as "Stakeholder Expectations and Communication", the Customer Services element has been removed from the risk as it doesn't naturally fit within the new scope. The scope of this risk better suits the current reporting lines, Business Change and Communications and Media both being within the remit of the Director of Policy and Change. Customer Services risk are picked up at the service level.

45 Information Security and Cyber Threat; there are no changes to the scope or score arising from the Q2 review. Activity to manage this risk during the quarter has included:

   a) Identity Management – Several projects to ensure that identities are protected, and controls updated as required.

   b) Application Management – Consolidation of access controls across systems that can adopt the technology, along with the development of a framework to progress for legacy applications.

   c) Data Security – Enhancement of the existing security controls to ensure that the latest threats are mitigated and protected against. Development of a process to ensure that vulnerabilities are identified, monitored, and addressed.

   d) Data Quality – Continuation of the MDM projects to ensure that the councils' solutions have the correct data embedded with them, updated seamlessly across multiple systems.

   e) Information Management – A collection of projects to improve the maturity of information both through its storage and use of said data. This will enable management to drive efficiencies through better access to data and improved compliance through improved retention processes.

   f) PSN accreditation has been achieved for 23/24.

46 There is no change to the scope or score of the "Business Continuity" risk as a result of its review. The existing business continuity policy has been reviewed and will be subject to further reviews as we progress through the development of a self-service SharePoint based system. Development of the system is due to begin in January 2024 with support from ICT Business Analysts. Prioritisation will be given to the system development ahead of further policy/guidance reviews. Detailed guidance and support will be developed to support the rollout of the system once developed.

47 Participation in Emergency Planning exercises continues; this provides valuable experience and knowledge for the further development of both

business continuity plans and the organisation's role in emergency response situations. If the SharePoint system develops as planned, the target risk should be achieved by end of Q4 23/24, at which point the recommendation would be for this risk to be removed from the Strategic Risk Register.

Economy and Growth

48   No changes proposed to the scope or scores of existing risks following the Q2 review, "Capital Projects – Place" net score remains an 8, while "Failure of the Local Economy" net score remains a 12. The national economic situation continues to be monitored by the Economic Development Service. UK gross domestic product (GDP) is estimated to have shown no growth in Quarter 3 (July to Sept) 2023. A full review of the Council's capital schemes will be undertaken in Q4 to ensure that both the Council's financial situation and external market factors have understood in terms of their impact on current schemes.

49   The Bank of England Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target. This target is in place as economist tend to agree 2% demonstrates sustainable growth and employment rate. At its meeting ending on 20 September 2023, the MPC voted by a majority of 5–4 to maintain Bank Base Rate at 5.25%.

Environment and Communities Committee

50   There are no changes proposed to the scope or score of the "CEC's Carbon Neutral Status" risk. The Council currently remains on track to be carbon neutral as an organisation by 2025, however there remains a real potential of time delays impacting delivery. Work continues on Council buildings with seventeen solar installations having been completed, providing approximately 1GWh per year.

51   The Council has also put in place a programme of replacing gas boilers with air source heat pumps with 15 installations underway. We continue to replace petrol and diesel vehicles with electric across our services and we have installed 26 new or upgraded electric vehicle charge points with more planned for the second half of this year.

52   Three key aspects to the risk have been identified this year at the Q2 review:

    a) Fleet – The transition of a minimum of 20 petrol / diesel vehicles to electric with charging facilities is under way with procurement imminent.

    b) Solar – To progress the second solar farm by submitting a planning application by September 2023 with a decision needed

by April 2024. A change in approach following advice will see the authority procure a design and build contact with planning part of the contract. This means planning will now be delayed until Q4. This remains the most significant risk to achieving the 2025 target.

c) Natural Offset – The planting of the next two woodland areas this planting season, October 2023 through May 2024. The authority has only been able to progress one of the two sites identified for this year which is now out to procurement. This has increased the requirement for planting in the final planting season, 2024-25.

53   The "Local Planning Authority Modernisation" risk overall remains the same with no change the net score. This reflects progress in the implementation of the existing modernisation plan, however the scope and actions in the plan have been extended to include actions arising from the Section 106 internal audit review.

Highways and Transport Committee

54   On 4th October 2023, the Prime Minister announced that HS2, north of Birmingham would be scrapped. Therefore, HS2 Phases 2a and 2b would not be progressing and there will no longer be a Crewe HS2 hub. Consequently, the "HS2 Infrastructure Investment" risk has crystallised, although not in the form initially assessed.

55   It is confirmed that the risk in its present state will not be maintained going forwards, during Q3 consideration will be given to a related risk based around the debt incurred from the project and the uncertainty around potential compensation from central government. Full council have already received a paper about this on Wednesday 13th December 2023.

Emerging Issues

56   The Quarter 2 report identified the following emerging issues:

a) Increasing pressure on services as a result of trying to achieve the 2023-24 MTFS and the difficulties of setting and achieving the MTFS for 2024-25.

b) Further reduction in score re JTAI is anticipated as long as positive delivery progress continues.

c) The further impact of the HS2 announcement will be recognised on the strategic risk register.

d) The affordability challenge of achieving the current net zero target.

e) If vacancy rates worsen, our capacity to maintain service delivery, and to achieve changes will be further decreased.

Risk Management Operations

57   During 2023/24 the risk function has continued to support the not only CLT in the identification and assessment of their strategic risks but also Services in the identification and assessment of their more operational risks. This has come in the form of informal, ad hoc conversations as well as planned workshops.

58   As previously advised to this committee, it was identified that the Council needed an efficient and effective central repository for all the risk registers it maintains. Collaborating with ICT, the risk function has developed a self-service risk management Power App hosted in the Council's SharePoint system. Initial user testing was undertaken, and it identified several improvements which were implemented before the end of 2023. The user interface and administration elements of the app are mostly complete, with limited tweaks remaining to be made before it can be rolled out. Development for the reporting function is underway and the current target is to roll the app out to support the service risk updates which coincide with the annual Service Planning process. As part of this process, existing service registers are planned to be uploaded to the app, allowing Service's to update their existing risks rather than having to input them into the new system manually.

59   The app is expected to increase both awareness and access; once fully implemented it is expected to provide the risk function and senior management with access to a greater level of information on both risks and engagement.

60   The risk function continues to horizon scan in both the risk management and local government spaces. This includes the nearest neighbour analysis in which similar local authorities' strategic risk registers are reviewed to identify common themes or areas where the Council might be considered out of step.

Business Continuity Operations

61   Business Continuity Impact Assessments continue to be carried out in 2023/24. With the aim of assisting the organisation in managing and prioritising the continuation of service delivery. These have been driven by potential warnings of severe weather and informed by emergency planning exercises.

62   After moving away from an external software solution for business continuity planning in Q4 2022/23 the Council has been using a manual process. Based on the progress made with the risk management app, the intention is to develop a similar business continuity app.

Consultation and Engagement

63   Each risk included in on the Strategic Risk Register is "owned" by a member of the Council's Corporate Leadership Team. At each quarter, the risk detail is updated through managers in their areas of responsibility, and the updated register is reviewed collectively by the Corporate Leadership Team.

Reasons for Recommendations

64   Risk management is central to facilitating good governance and the achievement of corporate objectives. As a publicly accountable body, the Council must demonstrate effective identification and management of the risks that threaten the achievement of its corporate objectives, the effectiveness of its operations and reliability of its financial reporting.

65   The Audit and Governance Committee have responsibility for monitoring the effective development and operation of risk management across the Council.

Other Options Considered

66   No alternative options considered; this is an assurance update report to support the Committee in meeting its responsibilities under its Terms of Reference.

Implications and Comments

67   Monitoring Officer/Legal

      There are no direct legal implications arising from the recommendations of this report. This report to provides assurance that the Council achieves its strategic aims and operates its business, under general principles of good governance, that it identifies risks which threaten its ability to be legally compliant and operates within the confines of the legislative framework.

68   Section 151 Officer/Finance

      There is no direct impact upon the MTFS from the recommendations of this update report. Costs relating to implementing risk treatment plans are included within service budgets. The need to provide financial security against the impact of risks is considered on a case-by-case

basis and either included within specific budgets within the MTFS or considered under the overall assessment of the required level of General Reserves as part of the Reserves Strategy. The risk to the Council of failing to achieve the MTFS has been identified as a risk.

69   Policy

Cheshire East Council has adopted the Risk Management Framework approved by Cabinet in June 2020. Risk management is integral to the overall management of the authority and, therefore, considerations regarding key policy implications and their effective implementation are considered within departmental risk registers and as part of the risk management framework.

An open and enabling organisation	A council which empowers and cares about people	A thriving and sustainable place

70   Equality, Diversity and Inclusion

There are no direct implications arising from the recommendations of this update report.

71   Human Resources

There are no direct implications arising from the recommendations of this update report.

72   Risk Management

This report relates to overall risk management and provides the Audit and Governance Committee with awareness of the most significant risks facing the Council, where strategic risks are emerging and assuring the Committee on how these are being managed.

73   Rural Communities

There are no direct implications arising from the recommendations of this update report.

74   Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

There are no direct implications arising from the recommendations of this update report.

75   Public Health

There are no direct implications arising from the recommendations of this update report.

76   Climate Change

There are no direct implications arising from the recommendations of this update report.

Access to Information	
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Appendices:	Risk Management Q2 Update - Appendix A
Background Papers:	None