

OPEN

Audit and Governance Committee

28 July 2025

Risk Management Report 2024-25

Report of: Janet Witkowski, Acting Governance, Compliance and Monitoring Officer

Report Reference No: AG/19/25-26

Ward(s) Affected: All

Purpose of Report

- 1 To provide the Audit and Governance Committee with a summary of risk management activities during 2024/25 and details of the current risk profiles.
- 2 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

- 3 This report provides an update on risk management activity throughout 2024/25, including details of the Strategic Risk Register during this period. During this period, the Strategic Risk Register also included equivalent risk registers for the Council's wholly owned companies; Orbitas, Tatton Park Enterprises and ANSA.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Note this report as a summary of risk management activities during the year 2024/25.
2. Identify any further assurance required by the Committee in relation to the management of risks including on the Council's Strategic Risk Register

Background

- 4 Risks included on the Strategic Risk Register are those which materially threaten the organisation's ability to achieve its strategic goals, details of which are stated in the Corporate Plan. Risks on the strategic register are owned by members of the Corporate Leadership Team (CLT) and are generally reviewed on a quarterly basis, and then reported onto the Corporate Policy Committee.
- 5 Designated risk assessors provide an initial update for strategic risks, which are then reviewed and signed off by relevant member of CLT as the risk owner.
- 6 Operational risks are held at the service level, with an expectation that all services maintain a risk register, owned by the Head of Service and supported by their senior managers. Operational registers are held and updated via a self-service application called Risk Action Control, built inhouse and maintained by the Risk Function with support from ICT.
- 7 Implementation of the Risk Management Framework, including administration of the strategic and operational registers is overseen by the Head of Audit, Risk and Assurance and supported by a Risk and Business Continuity Officer. This function also administers the creation and review of business continuity plans.
- 8 Ownership of risks and business continuity plans is held by officers, in line with the scope and the responsibilities of their roles and the contents of such are based upon their own assessments. While the risk management "team" provides the tools and timescales to encourage registers and plans to be updated regularly, responsibility ultimately sits with the responsible officers, and compliance is reported upon through existing oversight arrangements.

Changes in the Strategic Risk Register

- 9 The Strategic Risk Register is currently in a transitional phase. The Cheshire East Plan 2025-29 was published in March 2025 and it was agreed with CLT, that the strategic risks needed to be refreshed to ensure that they were aligned with the plan. With the further development of a Corporate Improvement Plan, the Strategic Risk Register is being reviewed by CLT, with an updated version to be presented to Corporate Policy Committee on 2 October 2025.
- 10 Significant change to the register should be expected, to ensure that it aligns very closely with current organisational priorities and supports the assurance on the delivery of the Corporate Improvement Plan once adopted. This change should provide assurance to the Committee that

the organisation is proactively ensuring that it's risk register remains relevant and proportionate.

- 11 As such the last update to the current Strategic Risk Register was undertaken after the end of Q3 2024/25 and the year-end position listed below reflects that point in time. This was reported to the Corporate Policy Committee in March 2025. There is a detailed Appendix, as provided to the Corporate Policy Committee.

Table 1 – Year End Comparison of Net Scores (2023/24 and 2024/25)

Strategic Risk	End of 2023/24 Net Score	End of 2024/25 Net Score	Travel
Increased Demand for Adult's Services	12	12	↔
Fragility and failure in the Social Care Market	9	9	↔
Complexity and Demand for Children's Services	12	12	↔
Dedicated School Grant Deficit	16	16	↔
Failure to Protect Vulnerable Children	9	9	↔
Failure to Achieve the MTFS	16	16	↔
Leadership Capacity	12	12	↔
Ability to Achieve Organisation Change	12	8	↓
Recruitment & Retention	9	9	↔
Failure to Adhere to Agreed Governance Processes	9	9	↔
Stakeholder Expectation & Communication	12	12	↔
Information Security and Cyber Threat	12	12	↔
Business Continuity	9	9	↔
Capital Projects - Place	12	16	↑
CEC Carbon Neutral Status	16	16	↔
Local Planning Authority Modernisation Plan	9	9	↔
Delivery of the ILACS improvement plan (Added Q1 2024/25)	-	12	NEW
SEND Inspection (Added Q1 2024/25)	-	12	NEW

- 12 The “Failure of the Local Economy” risk was removed from the register in the Q2 2024/25 review. The “Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks” risk was removed from the register in the Q3 2024/25 review. Both of those risks have an external focus, and their removal indicates a movement away from strategic risks that are not inward looking.
- 13 Table 2 demonstrates the static nature of the scoring of a number of the risks recognised in the register. Whilst the scores may not have changed, the quarterly reports to the Corporate Policy Committee, which have been shared with the Audit and Governance Committee, set out the actions which are being taken to manage the risks, and the effort required in many cases to prevent the impact from rising further.

Table 2 – Net risk scoring for Strategic Risk Register across 2024/25

Risk	Q4 Net	Q1 Net	Q2 Net	Q3 Net	Direction of Travel (Q2 to Q3)
Increased Demand for Adult’s Services	12	12	12	12	↔
Fragility and failure in the Social Care Market	9	9	9	9	↔
Complexity and Demand for Children’s Services	12	12	12	12	↔
Dedicated School Grant Deficit	16	16	16	16	↔
Failure to Protect Vulnerable Children	9	9	9	9	↔
Failure to Achieve the MTFS	16	16	16	16	↔
Leadership Capacity	12	12	12	12	↔
Ability to Achieve Organisation Change	12	12	12	8	↓
Recruitment & Retention	9	9	9	9	↔
Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks	12	12	12	4	↓
Failure to Adhere to Agreed Governance Processes	9	9	9	9	↔
Stakeholder Expectation & Communication	12	12	12	12	↔
Information Security and Cyber Threat	12	12	12	12	↔
Business Continuity	9	9	9	9	↔

Risk	Q4 Net	Q1 Net	Q2 Net	Q3 Net	Direction of Travel (Q2 to Q3)
Capital Projects - Place	12	16	16	16	↔
CEC Carbon Neutral Status	16	16	16	16	↔
Local Planning Authority Modernisation Plan	9	9	9	9	↔
Delivery of the ILAC Improvement Plan	-	12	12	12	↔
SEND Inspection	-	12	12	12	↔

Changes in the Operational Risk Register

- 14 The first quarterly update of operational risks using the Risk Action Control app was completed in Q4 2023/24 and the last year has seen various levels of integration and engagement from the organisation. The table below shows the number of risks and the average rating from the current year-end in comparison to the previous.

Table 3 Number of risks and average scores by directorate; 2023/24 and 2024/25

Directorate	2023/24 Number of Risks	2024/25 Number of Risks	2023/24 Average Rating	2024/25 Average Rating
Adults	25	80	7	4
Chief Executive's Office	56	53	6	6
Childrens	0	2	-	8
Place	99	98	10	8
Resources	56	55	5	5
Total	236	288	7	6

- 15 One of the advantages of the application is greater visibility of the risk environment through a centralised tool. Not all areas of the organisation are yet transferred fully onto the application, and we are working with the Executive Director of Children's Services on a series of workshops and sessions to help to capture and record the risk environment for this directorate.
- 16 Looking ahead, we are planning to have more engagement through directorates to further enhance what is available through the application. Regular risk workshops help to ensure that the risk register content reflects current priorities for services, especially through periods of change and improvement. Capturing as much information as possible at the operational level provides a wealth of useful information and insight

to inform decision making and ensures that CLT are sighted on this as they review the Strategic Risk Register content.

- 17 The Risk Action Control app has been designed so that there is a workflow of roles from an initial updater (Risk Assessor) through to the Risk Owner, (Risk Approver). The reporting window begins at the end of each financial quarter, and the application currently sends out notification emails, first to the assessor and then to the approvers over six-week period after that quarter end. The table below shows the completion rates for assessments and approvals from the current yearend in comparison to the previous.

Table 4: Completion rates and approval rates by directorate, 2023/24 and 2024/25

Directorate	2023/24 Assessments	2023/24 Assessments	2024/25 Approvals	2024/25 Approvals
Adults	96%	36%	92%	33%
Chief Executive's Office	89%	77%	88%	42%
Childrens	-	0%	-	0%
Place	49%	72%	45%	70%
Resources	84%	69%	73%	49%
Total	72%	62%	67%	50%

- 18 The two tables indicate that while more services have a risk register within the app, the level of engagement has decreased as a percentage of the total number. The operational risk process and its integration remains a work in progress but is already providing a more efficient and increased visibility of risk across the organisation.

Business Continuity

- 19 Workshops have been held with attendees from Wider Leadership Community, and sessions in individual departments and teams have also been supported through out the year. Learning from these sessions will be fed into individual service's business continuity plans, and the review of an organisation wide response plan.
- 20 We continue to work closely with the Council's shared Emergency Planning team to ensure learning from incidents is shared and acted upon, and business continuity impact assessments are carried out in anticipation of events as needed, with the aim of assisting the organisation in managing and prioritising the continuation of service delivery. These can be prompted by weather related issues and previously used to manage the impact of strike activity in other sectors upon the workforce for example.

- 21 We are still exploring the potential of developing an application to support our business continuity planning as an organisation. The feedback from workshops is helping to shape ideas on this, but there are many practical considerations around the potential use of the application to work through.

Consultation and Engagement

- 22 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

- 23 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 and the effectiveness of its operations.

Other Options Considered

- 24 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

Monitoring Officer/Legal/Governance

- 25 There are no direct legal implications arising from the recommendations of this report. This report 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.

Section 151 Officer/Finance

- 26 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 savings identified in the MTFS has been identified as a risk.

Human Resources

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

Risk Management

- 28 This report relates to overall risk management and provides the 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.

Impact on other Committees

- 29 The Corporate Policy Committee receives the quarterly Strategic Risk Register reports, which are circulated to the Audit and Governance Committee. The update on risks is organised within these update reports by the individual service committees to support the further discussion of matters by these committees. There are, however, no direct impacts on other committees arising from this report.

Policy

- 30 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

Commitment 1: Unlocking prosperity for all	Commitment 2: Improving health and wellbeing	Commitment 3: An effective and enabling council
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Equality, Diversity, and Inclusion

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

Other Implications

There are no direct implications to Rural Communities, Children and young people, Public Health or Climate Change arising from the recommendations of this report.

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy):</i>			
Ashley Hughes	S151 Officer	17/07/25	18/07/25
Janet Witkowski	Acting Monitoring Officer	17/07/25	17/07/25

Access to Information	
Contact Officer:	Josie Griffiths Head of Audit Risk and Assurance josie.griffiths@cheshireeast.gov.uk
Appendices:	Appendix A – Q3 2024/25 Strategic Risk Register Detail
Background Papers:	Q1 2024/25 Strategic Risk Assurance Report to Corporate Policy Committee – 13 June 2024 Q2 2024/25 Strategic Risk Assurance Report to Corporate Policy Committee – 28 November 2024 Q2 2024/25 Strategic Risk Assurance Report to Corporate Policy Committee – 20 March 2025