

Tuesday, 17 March 2026

AUDIT COMMITTEE

A meeting of **Audit Committee** will be held on

Wednesday, 25 March 2026

commencing at **2.00 pm**

The meeting will be held in the Banking Hall, Castle Circus entrance on the left corner of the Town Hall, Castle Circus, Torquay, TQ1 3DR

Members of the Committee

Councillor Penny (Chair)

Councillor Brook (Vice-Chair)

Councillor Maddison

Councillor Fellows

Vacancy - Conservative Group

Councillor Long

Mr Kristian Hawkes – Independent Member

A Healthy, Happy and Prosperous Torbay

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Governance Support, Town Hall, Castle Circus, Torquay, TQ1 3DR

Email: governance.support@torbay.gov.uk - www.torbay.gov.uk

AUDIT COMMITTEE AGENDA

1. **Apologies**
To receive any apologies for absence, including notifications of any changes to the membership of the Committee.
2. **Minutes** (Pages 5 - 14)
To confirm as a correct record the Minutes of the meeting of the Audit Committee held on 18 February 2026.
3. **Declarations of interests**
 - (a) To receive declarations of non pecuniary interests in respect of items on this agenda
For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
 - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda
For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(**Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
4. **Urgent Items**
To consider any other items that the Chairman decides are urgent.
5. **Internal Audit Charter for Devon Assurance Partnership (DAP) in Torbay Council** (Pages 15 - 22)
To note the Internal Audit Charter for Devon Assurance Partnership (DAP).
6. **Internal Audit Plan 2026-27** (Pages 23 - 36)
To consider a report on the Internal Audit Plan 2026-27.
7. **Risk Management Update** (Pages 37 - 58)
To note a report that provides an update on the Council's current risk position and the Council's overall risk management arrangements.

- 8. Counter Fraud and Error Work Plan 2026 to 2027** (Pages 59 - 92)
To consider a report that outlines the Torbay Council Counter Fraud and National Fraud Initiative (NFI) Work Plan for 2026-2027.
- 9. Performance Update: Collection of Council Tax and Non-Domestic Rates** (Pages 93 - 98)
To note the update on the collection of Council Tax and Non-Domestic Rates
- 10. Torbay Council Audit Committee Annual Report 2025/26** (Pages 99 - 114)
To consider the Audit Committee's Annual Report for 2025/26.
- 11. Audit Committee Work Programme 2026/2027** (Pages 115 - 116)
To note the Audit Committee's work programme for 2026/2027.

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Minutes of the Audit Committee

18 February 2026

-: Present :-

Councillor Penny (Chair)

Councillors Brook (Vice-Chair), Foster, Long and Maddison

33. Apologies

An apology for absence was received Mr Kristian Hawkes, Independent Person to the Audit Committee.

It was reported that, in accordance with the wishes of the Conservative Group, the membership of the Committee had been amended for this meeting by including Councillor Foster instead of Councillor Fellows.

34. Minutes

The Minutes of the meeting of the Audit Committee held on 29 October 2025 were confirmed as a correct record and signed by the Chair.

35. Declarations of interests

No declarations were made.

36. Risk Assurance Report For Our Integrated Adult Social Care Services

The Chair welcomed Amanda Lowe of Audit South West (ASW) to the meeting and reminded Members that, at the meeting held on 8 September 2025, the Committee had considered the circulated Risk Assurance Report for Integrated Adult Social Care Services. At that time, Members had been unable to explore matters beyond those set out in Appendix 2 and had therefore requested the attendance of a representative from ASW to attend this meeting.

Ms Lowe introduced herself and provided further detail on the findings of the audits undertaken by ASW. She explained the process used to develop the audit plan for adult social care services, noting that ASW delivered the full audit programme for the NHS, not only adult social care. She advised that the assurance statement received identified a deterioration in the Head of Internal Audit Opinion, which had moved from *Satisfactory* to *Limited*. Several factors contributed to this change, the primary driver being the NHS services' placement within the NHS Oversight Framework (NOF) at Level 4, indicating that improvements were required.

Ms Lowe confirmed that two audits had been undertaken within adult social care namely; Advocacy and Deprivation of Liberty Safeguards (DoLS), both culminating in a Limited opinion. She clarified that the overall Limited opinion for the Trust was not solely attributable to these two audits, although the DoLS findings had contributed.

In response to questions from Members, Ms Lowe advised that the DoLS audit had not identified cases in which individuals had been deprived of their liberty inappropriately. However, it had identified a significant backlog in the processing of applications, with 570 cases in the central DoLS team and 160 within the community team during winter 2024. It was explained that cases were triaged, with priority given to those showing signs of wishing to leave, and this approach aligned with national challenges in DoLS processing. A new delivery model implemented in summer 2025 had reduced the backlog, although progress had since plateaued due to an increase in applications.

Ms Lowe advised that any limited opinion automatically triggered a requirement for re-audit. DoLS would therefore be included in the Trusts 2026/27 audit plan. In response to questions regarding timescales, she stated that the scheduling was being worked through, but her view was that it should be undertaken as soon as was reasonable.

In response to questions on fraud risk during periods of organisational change, Ms Lowe confirmed that processes were being reviewed to ensure appropriate controls were maintained. Members asked whether managers were generally responsive to audit activity. Ms Lowe reported that the Trust, had experienced significant leadership change over the previous 18 months, but engagement with managers had been positive, with an increased openness about areas of concern.

Finally, Ms Lowe emphasised that the full assurance statement and ASW's view of the Trust should remain confidential to the Trust. It was suggested that a redacted version might be considered for future publication.

37. Risk Management Update

Members noted a report that provided an update on the Council's current risk position and the Council's overall risk management arrangements.

The Performance and Risk Manager advised that a total of 15 risks were appearing out of tolerance; however, Members were advised that "out of tolerance" did not necessarily equate to a high risk score. None of the risks with unchanged scores were short-term issues; these represented long-term assessments. A new risk relating to Oldway Mansion had been added due to the expense arising from anti-social behaviour at the site. Several risks had been de-escalated since the previous report.

The Performance and Risk Manager explained that, due to the deferred date of the meeting, a number of mitigated risk scores had changed since the appendices were produced. Members were advised of the following updated scores:

- ST04 Failure to set a robust and medium-term resource plan had increased to 20;

- ST10 Failure of Torbay and South Devon NHS Trust to deliver Adult Social Care statutory duties had increased to 20.

For corporate risks:

- CP02 Failure to have adequate insurance in place had increased to 15;
- CP05 Failure to comply with health and safety and fire legislation had increased to 20;
- CP09 Reputation of the Council had increased to 9;
- CP21 GDPR compliance and effective information governance had increased to 16;
- CP23 Implementation of the Customer Relationship Management system had increased to 8;
- CP49 Failure to have an up-to-date adopted Local Plan in place had increased to 12.
- CP50 Failure to meet Development Management performance targets had reduced to 9; and
- CP85 Potential loss of community equipment service had reduced to 6.

It was also noted that the report used to produce Appendix C included three inaccurate mitigated scores.

- CP11 Large scale cyber-attack was reported as 10 but should have been 15;
- CP88 Deprivation of Liberty (Community DoLS waiting list) was reported as 6 but should have been 9; and
- CP89 Oldway Mansion was reported as 6 but should have been 12.

In relation to SWISCo, Members were informed that the organisation held two strategic risks, 18 corporate risks and 51 service-level risks, with seven risks scoring 16 or above. Issues identified last year regarding health and safety audits had been resolved, resulting in reduced risk scores. Management reported that they had commenced a programme of cross-business engagement with Tier 2 and Tier 3 managers to strengthen the connection between professional risk management and operational service delivery. The risk register was being used proactively by all managers and by the Senior Leadership Team on a weekly basis. Concerns were raised about workforce retention. Members were reassured by the Director of SWISCo setting out the retention focused mitigations, including high-quality PPE, improved working conditions, and strengthening organisational pride. Furthermore, SWISCo was now regarded as a well-respected employer with staff likely to recommend it to friends and family. Sickness and turnover rates remained low, reflecting the effectiveness of the risk-led mitigation approach.

Members requested that future reports include detailed risk review notes, observing that some risks remained higher than expected and that additional narrative would assist understanding.

A query was raised regarding CP73, relating to the failure to adequately undertake works to cliffs, particularly in the context of recent storms. It was confirmed that the risk primarily related to unexpected costs associated with cliff works. The risk remained within tolerance because adequate budget provision existed for repairs in

recent years. Scores remained relatively high because environmental factors were outside the Council's control. Members were advised that the risk related to cost rather than the likelihood alone.

It was suggested that future reports include commentary on how risk management had evolved over the preceding two years to provide assurance regarding the overall effectiveness of the risk management framework.

38. Treasury Management Strategy 2026/27

Members considered a report that set out the Treasury Management Strategy for 2026/2027. The Strategy sets the framework within which the Council will manage its borrowing, investment and cash-flow activities for the forthcoming financial year, in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice 2021 and the Prudential Code for Capital Finance in Local Authorities.

The Head of Corporate Finance explained that Treasury management had a critical role in ensuring the Council's financial stability. The Council continued to manage significant levels of borrowing and treasury investments and was therefore exposed to a range of financial risks including interest rate fluctuations, the security of invested funds, and the need to ensure that borrowing remained affordable and sustainable.

The Strategy outlined the Council's approach to:

- Capital expenditure plans and prudential indicators;
- Borrowing strategy, including the use of internal borrowing;
- Investment strategy, including security, liquidity, ESG considerations and counterparty limits;
- Minimum Revenue Provision (MRP) policy; and
- Treasury management indicators and governance arrangements.

Members were advised that in a financial environment characterised by continued economic uncertainty and interest rate volatility, the Strategy aimed to balance the need for prudent risk management with the requirement to support delivery of the Council's Capital Investment Plan and long-term financial sustainability.

Resolved:

That Audit Committee recommends to Council approval of the:

- 2026/27 Treasury Management Strategy;
- 2026/27 Prudential Indicators; and
- 2026/27 Annual Minimum Revenue Provision Policy Statement.

39. Counter Fraud and Corruption Strategy and Counter Fraud and Corruption Policy

Members considered a report that set out an updated Counter Fraud and Corruption Policy, since the policy was last reviewed in 2023 the national and local fraud landscape had continued to evolve, with increased expectations on local authorities to

demonstrate robust fraud prevention, detection and response arrangements. Guidance from CIPFA, the Local Government Association and the Government's Public Sector Fraud Authority, had been updated, emphasising the need for strengthened governance, clear accountability and proactive fraud risk management.

In response, the policy had been reviewed in full to ensure it remained compliant and relevant with recognised best practice and reflective of the current operating environment. Alongside this, a new Counter Fraud and Corruption Strategy had been developed to provide structured, forward-looking framework to guide the Council's approach over the next two years. Members were advised that overall, updating the Policy and introducing the Strategy, strengthened the Council's ability to protect public money, safeguard services and uphold high standards of integrity.

Resolved:

1. That the Audit Committee reviews the updates made to the Counter Fraud and Corruption Policy;
2. Endorses the introduction and implementation of the accompanying Counter Fraud and Corruption Strategy;
3. Supports ongoing monitoring of progress through the Audit Committee's reporting cycle; and
4. Recommends that the Director of Finance in consultation with the Chairman of the Audit Committee approve the revised Counter Fraud and Corruption Policy and Counter Fraud and Corruption Strategy.

40. Council Subsidiaries - Governance & Finances Update

Members noted a report that set out an overview of the consolidated audit findings and assurance conclusions for the Council's subsidiaries and trading companies for the year ended 31 March 2025.

The Head of Corporate Finance informed Members that the Audit Committee on the 28 May 2025 discussed the 2024-25 draft Annual Governance Statement, which included how the Council oversaw the governance and risks of companies it owns or controls. Following discussions by Members it was agreed that a report would be presented to the committee annually to coincide with the approval of the Torbay Council accounts. The report would provide an overview of the outcome of the audits of the accounts for the three significant council subsidiaries.

Members noted that overall, reasonable assurance can be taken over governance, risk management and internal control across the subsidiaries.

41. Internal Audit Interim Progress Report 2025-2026

The Committee received and noted the Internal Audit Interim Progress Report for 2025/26, presented by Tony Rose, Head of the Devon Assurance Partnership (DAP). Members were advised that the report summarised progress against the approved

Internal Audit Plan and provided the Head of Internal Audit's interim assurance opinion.

Members noted that Internal Audit had completed a broad range of assurance, risk, governance and value-added reviews across the Authority. Based on work undertaken to date, together with prior years' audit work and the status of follow-up actions, the Head of Internal Audit issued an interim opinion of 'Reasonable Assurance' over the adequacy and effectiveness of the Council's internal control environment.

Members were advised that the audit plan continued to be delivered using a risk-based and agile approach, enabling resources to focus on emerging or higher-risk areas. Progress against the plan was broadly in line with expectations, and changes to scheduled work had been managed appropriately.

Members referred to the audit of Special Educational Needs and Disabilities (SEND) and sought reassurance regarding the direction of travel. The Head of the Devon Assurance Partnership explained that the SEND summary was necessarily lengthy, reflecting the seriousness and complexity of the issues within the service. He advised that, given the recently published national guidance relating to SEND deficits, the national position remained highly fluid. He further noted that the direction of travel indicator for SEND differed slightly from other audits because the service was operating within a particularly complex and fast-changing national landscape. The Committee was assured that this was an area Internal Audit would continue to revisit due to its significance and the level of ongoing change.

42. Auditor's Annual Report Year ending 31 March 2025

The Audit Committee noted the Auditor's Annual Report for year ending 31 March 2025, presented by Grant Thornton as the Council's appointed external auditor. The report brought together all audit work undertaken during the year and provided the required commentary on the Council's arrangements for securing value for money.

Members were advised that no significant weaknesses had been identified in the Council's arrangements for financial sustainability, and that the authority had demonstrated good financial control during 2024/25, reporting a small revenue underspend and setting a balanced budget for 2025/26.

However, improvement recommendations had been raised relating to the Dedicated Schools Grant (DSG) deficit, the need for clearly defined savings plans to address future budget gaps and strengthened scenario planning linked to adult social care funding under the Section 75 Agreement.

In respect of governance, the auditors identified one significant weakness, relating to the Council's ongoing challenges regarding the capacity of the finance team and timely preparation of the financial statements. This issue had also been highlighted in the previous year and remained only partially addressed. An additional improvement recommendation was made concerning the reporting of procurement waivers to those charged with governance.

Under economy, efficiency and effectiveness, auditors found that while many services demonstrated strong arrangements, a significant weakness had been identified in relation to Special Educational Needs and Disabilities (SEND). This followed concerns raised through the 2025 Ofsted/CQC Local Area SEND inspection.

The Committee acknowledged the improvement and key recommendations and noted management responses and planned actions.

43. 2024-2025 Torbay Council Audit Findings Report

The Audit Committee noted the Draft Audit Findings Report for 2024/25 from Grant Thornton. The auditors highlighted that, although the audit opinion for 2024/25 would be disclaimed due to the statutory backstop requirements the finance team had worked constructively with auditors throughout the process and had shown a strong commitment to improving the quality, accuracy and completeness of the financial statements.

Julie Masci, Director, Grant Thornton informed Members that many elements of the audit were successfully completed, with no adjustments required to the Comprehensive Income and Expenditure Statement and several disclosure improvements made. It was acknowledged that the introduction of IFRS 16 represented a significant change for local authorities nationally, and the Council responded positively by securing additional support and providing updated working papers to enable assurance over the transitional adjustments.

The Committee also noted the positive direction of travel in a number of areas, including stronger reconciliation processes, more robust performance management, and better engagement in Value for Money work.

Under Value for Money, Ms Masci highlighted that the Council had demonstrated continued financial grip, setting a balanced budget for 2025/26 without the use of reserves, and proactively addressing budget variances.

Members noted that the Council had implemented the majority of prior-year recommendations and continued to make progress on the remainder. Improvement recommendations raised for this year focused on enhancing existing arrangements.

The Committee thanked officers and the auditors for their collaborative efforts and noted that the improvements made this year.

44. Audited Statement of Accounts 2024/25

Members considered a report that set out the audited Statement of Accounts for 2024/25. The Head of Corporate Finance informed Members that the Statement of Accounts had been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) which was based on International Reporting Standards (IFRS). This was necessary to ensure that accounts of all Government funded bodies provided comparable and consistent information. The Statement was required to present a true and fair view of the

financial position as at 31 March 2025 and the income and expenditure for the financial year 2024/25.

As noted in Minute 43 above the Audit Findings Report in respect of the 2024/25 Statement of Accounts provided details of the outcome of the audit and the 'disclaimer opinion' that has been issued by Grant Thornton.

Members were advised that Audit Committee last considered the draft accounts at its meeting of 29 October 2025. Although there had been no adjustments to the primary statements, there had been a small number of corrections and additions to the notes made to the Statement since that date.

The Head of Corporate Finance explained the main update was the inclusion of IFRS 16 notes for leases. These were missing from the draft accounts previously presented to Audit Committee whilst external specialist advice was sought to ensure compliance with the new standard.

Following receipt of the audited accounts from the Council's subsidiary companies' adjustments had also been made to the group accounts section to bring these in line with those audited accounts.

Furthermore, the Annual Governance Statement had been updated to reflect any significant events or developments since its approval by Members at the Audit Committee meeting on 8 September 2025.

Resolved:

- i) That the 2024/25 Statement of Accounts and the Annual Governance Statement be approved; and
- ii) that the signing of letter of representation be approved.

45. Regulation of Investigatory Powers Act (RIPA) Update

Members noted the update on the Regulation of Investigatory Powers Act (RIPA). The Director of Corporate Services informed Members that the Council had not undertaken any main RIPA authorisation since 2008 and had not authorised any requests for communications data since the Trading Standards service transferred to Devon County Council, the Council was still required to ensure that its policies, guidance and staff training were up to date. This ensured that in the event a RIPA authorisation, relevant officers were aware of their responsibilities under the Act. The Council's main RIPA Policy and Guidance Manual were currently being reviewed and updated. Along with a full update of the RIPA officer Structure and associated guidance for staff.

46. Audit Committee Work Programme 2025/2026

The Audit Committee Work Programme was noted.

Chair

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Internal Audit Charter for Devon Assurance Partnership (DAP) in Torbay Council (TC)

Purpose

Internal Audit's role is to enhance and protect organisational value. This is achieved through objective assurance, advice, and insight. Its activity aims to support the organisation in meeting its objectives, maintaining statutory compliance, improving risk culture, and delivering transparent governance. Internal Audit enhances the Authority's:

- Successful achievement of its objectives.
- Governance, Risk Management, and Control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The Authority's Internal Audit function provided through DAP is most effective when:

- Internal Auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards, which are set in the public interest.
- The Internal Audit function is independently positioned with direct accountability to the Audit Committee.
- Internal Auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

From 1 April 2025, all UK public sector bodies and Internal Audit functions must demonstrate conformance with the Global Internal Audit Standards, and the [UK Public Sector Application Note](#). These standards define Internal Audit's purpose, independence, scope, mandate, and expectations for Chief Audit Executive (CAE) positioning, qualifications, and reporting relationships. A key document in this is the Internal Audit Charter.

The Application Note clarifies that public sector governance structures may differ from corporate governance norms, and therefore additional interpretations are required to apply GIAS effectively. For example, UK public bodies often have limited control over Audit Committee composition, budget-setting constraints, and statutory reporting structures. The Application Note ensures these realities do not prevent conformance with the underlying principles of Independence and Objectivity.

Internal Audit must be independent in both fact and appearance. Independence ensures stakeholders can rely on the assurance provided. The Accounts and Audit Regulations, GIAS, and the [CIPFA Code](#) collectively reinforce that Internal Audit must be free from interference in determining scope, performing work, and reporting results. [Regulation 5\(2\) of the Accounts and Audit Regulations](#) obligates staff and members to make documents, records, and explanations available to Internal Audit. This legal backing protects Internal Audit from obstruction.

DAP will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Chief Audit Executive (Head of DAP) will report periodically to the Audit Committee and Authorities' Senior Management regarding the Internal Audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

Internal Audit Charter for Devon Assurance Partnership (DAP) in Torbay Council (TC)

The 2025 CIPFA Code operationalises GIAS for Local Government. It sets out clear expectations of those charged with governance, senior management, and audit committees. It also requires Local Authorities to explain compliance in their Annual Governance Statement. CIPFA Code of Practice for Governance of Internal Audit (2025). The Code sets out Internal Audit's position by mandating:

- Clear articulation of Internal Audit's mandate in a formally approved Charter.
- Senior management responsibility for ensuring Internal Audit is adequately resourced.
- Audit Committee oversight of Internal Audit's performance and independence.
- Regular private meetings between the CAE and the Audit Committee.

The Code also requires senior management to uphold Internal Audit's independence by ensuring:

- The Chief Audit Executive reports in their own right to the Audit Committee on the work of Internal Audit.
- Internal Audit has unrestricted access to senior leadership and decision-makers.
- Audit recommendations cannot be suppressed or altered by management.
- Safeguards exist where the CAE holds additional non-audit responsibilities.

Mandate

Authority

Internal Audit in Local Government derives its core authority from legislation. The Accounts and Audit Regulations 2015 (amended 2024) require every relevant authority to maintain an effective Internal Audit function. Internal Audit is a legal requirement and the legislation states that Internal Audit must evaluate the effectiveness of governance, risk management, and internal control processes.

[Accounts and Audit Regulations 2015 \(Legislation.gov.uk\)](#) Regulation 5 sets out Internal Audit's powers, including unrestricted access to documents, records, systems, and staff. This ensures Internal Audit can examine any area necessary to provide robust assurance. Regulation 6 of the Accounts and Audit Regulations requires authorities to review the effectiveness of their internal control system and Internal Audit provides the independent foundation for this.

Section 151 Officer – Statutory Link to Internal Audit and Internal Control

Section 151 of the Local Government Act 1972 requires every local authority to “make arrangements for the proper administration of its financial affairs and appoint a Section 151 Officer (Chief Finance Officer)” responsible for those arrangements, Legislation: [Local Government Act 1972 – Section 151](#)

This statutory responsibility directly links the Section 151 Officer to Internal Audit and internal control because:

- ‘Proper administration’ requires robust internal control systems, which Internal Audit independently assesses.
- The Section 151 Officer must ensure an adequate and effective system of Internal Audit is established.
- Internal Audit provides assurance supporting the Section 151 Officer's duties to maintain financial resilience, prevent unlawful expenditure and ensure compliance with regulations.

Internal Audit Charter for Devon Assurance Partnership (DAP) in Torbay Council (TC)

The Authority authorises the Internal Audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out Internal Audit responsibilities. Internal Auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of the Authority and other specialised services from within or outside DAP to complete Internal Audit services.

Independence, Organisational Position, and Reporting Relationships

The Chief Audit Executive (Head of DAP) will be positioned at a level in the organisation that enables Internal Audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the Internal Audit function. (See "Mandate" section). This is further achieved with DAP through the partnership governance structure, being the DAP Management Board and DAP Joint Committee.

This position provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Audit Committee, when necessary, without interference, and supports the Internal Auditors' ability to maintain objectivity.

The Head of DAP will confirm to the Audit Committee, at least annually, the organisational independence of the Internal Audit function. If the governance structure does not support organisational independence, the Head of DAP will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence.

Where DAP provides any services that are not Internal Audit, for example Risk Management and Counter Fraud, appropriate controls will be put into place to ensure that there is suitable independent assessment of the compliance and effectiveness of such activities.

The Head of DAP will disclose to the Audit Committee any interference Internal Auditors encounter related to the scope, performance, or communication of Internal Audit work and results. The disclosure will include communicating the implications of such interference on the Internal Audit function's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the Head of DAP, Audit Committee, and Senior Management on the Internal Audit Mandate or other aspects of the Internal Audit Charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganisation within the Authority.
- A significant change in responsibilities of the Authority.
- Significant changes in the Chief Audit Executive, Audit Committee, and/or Senior Management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of Internal Audit services.

Audit Committee Oversight

To establish, maintain, and ensure that the Authorities' Internal Audit Function delivered by DAP has sufficient authority to fulfil its duties, the Audit Committee will:

- Discuss with the Head of DAP and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the Internal Audit function.
- Ensure the Head of DAP has unrestricted access to and communicates and interacts directly with the Audit Committee, including in private meetings without senior management present.
- Discuss with the Head of DAP and senior management other topics that should be included in the Internal Audit Charter.
- Participate in discussions with the Head of DAP and senior management about the “essential conditions,” described in the Global Internal Audit Standards, which establish the foundation that enables an effective Internal Audit function.
- Approve the Internal Audit function’s Charter, which includes the Internal Audit mandate and the scope and types of Internal Audit services.
- Review the Internal Audit Charter annually with the Head of DAP to consider changes affecting the organisation, such as the employment of a new Chief Audit Executive or changes in the type, severity, and interdependencies of risks to the organisation; and approve the Internal Audit charter, typically annually.
- Approve the risk-based Internal Audit and assurance plan.
- Advocate to senior management for sufficient budget and resources allowing the Internal Audit function to fulfill its mandate and accomplish its audit plan.
- Provide input to the Internal Audit function’s human resources administration and budgets via the DAP Committee.
- Review the Internal Audit function’s expenses via the DAP Committee.
- Provide input to senior management on the appointment and removal of the Chief Audit Executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards via the DAP Committee.
- Review and provide input to senior management on the Chief Audit Executive’s performance.
- Receive communications from the Head of DAP about the Internal Audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually via the DAP Committee.
- Make appropriate inquiries from senior management and the Head of DAP to determine whether scope or resource limitations are inappropriate.

Chief Audit Executive (Head of DAP) Roles and Responsibilities

Ethics and Professionalism

The Head of DAP will ensure that Internal Auditors:

Internal Audit Charter for Devon Assurance Partnership (DAP) in Torbay Council (TC)

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behavior that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

The Head of DAP will ensure that the Internal Audit function remains free from all conditions that threaten the ability of Internal Auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Head of DAP determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal Auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal Auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, Internal Auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for the Authority or its affiliates.
- Initiating or approving transactions external to the Internal Audit function.
- Directing the activities of any Authority employee that is not employed by the Partnership, except to the extent that such employees have been appropriately assigned to Partnership or to assist Internal Auditors.

Internal Auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Head of DAP, Audit Committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The Head of DAP has the responsibility to:

- At least annually, develop a risk-based Internal Audit and Assurance Plan that considers the input of the Audit Committee and Senior Management. Discuss the plan with the Audit Committee and Senior Management and submit the plan to the Audit Committee.

Internal Audit Charter for Devon Assurance Partnership (DAP) in Torbay Council (TC)

- Communicate the impact of resource limitations on the Internal Audit Plan to the Audit Committee and Senior Management.
- Review and adjust the Internal Audit plan, as necessary, in response to changes in the TC's business, risks, operations, programs, systems, and controls.
- Communicate with the Audit Committee and senior management if there are significant interim changes to the Internal Audit plan.
- Ensure Internal Audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and requirements of the CIPFA Application Note.
- Follow up on engagement findings and the implementation of action plans and communicate the results of Internal Audit services to the Audit Committee and senior management periodically, and for each engagement as considered appropriate by the CAE.
- Ensure the Internal Audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the Internal Audit mandate.
- Identify and consider trends and emerging issues that could impact TC and communicate to the Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in Internal Auditing.
- Establish and ensure adherence to methodologies designed to guide the Internal Audit function.
- Ensure adherence to the TC's relevant policies and procedures unless such policies and procedures conflict with the Internal Audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Head of DAP cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit Committee.

Communication with the Audit Committee and Senior Management

The Head of DAP will report periodically to the Audit Committee and senior management regarding:

- The Internal Audit function's mandate.
- The Internal Audit plan and performance relative to its plan.
- Internal Audit budget via the DAP Committee.
- Significant revisions to the Internal Audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the Internal Audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the Internal Audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee that could interfere with the achievement of the TC's strategic objectives.

Internal Audit Charter for Devon Assurance Partnership (DAP) in Torbay Council (TC)

- Results of assurance and advisory services.
- Resource requirements.
- Management’s responses to the risk that the Internal Audit function determines may be unacceptable or acceptance of a risk that is beyond the Authorities risk appetite.

Quality Assurance and Improvement Program

The Head of DAP will develop, implement, and maintain a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the Internal Audit function. The program will include external and internal assessments of the Internal Audit function’s conformance with the Global Internal Audit Standards, as well as performance measurement to assess the Internal Audit function’s progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to Internal Auditing. Also, if applicable, the assessment will include plans to address the Internal Audit function’s deficiencies and opportunities for improvement.

Annually, the Head of DAP will communicate with the Audit Committee and Senior Management about the Internal Audit function’s QAIP, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside DAP; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

Scope and Types of Internal Audit Services

The scope of Internal Audit services covers the entire breadth of the organisation, including all of the Authority’s activities, assets, and personnel. The scope of Internal Audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes within the Authority.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the Internal Audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal Audit engagements may include evaluating whether:

- Risks relating to the achievement of strategic objectives are appropriately identified and managed.
- The actions of the officers, directors, management, employees, and contractors or other relevant parties comply with policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact on the Authority.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Internal Audit Plan 2026-27

Torbay Council Audit Committee

March 2026

Official
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CUSTOMER
SERVICE
EXCELLENCE



TORBAY.GOV.UK

Tony Rose
Head of Devon Assurance Partnership

Jo McCormick
Deputy Head of Devon Assurance
Partnership

Lynda Sharp-Woods
Audit Manager

Agenda Item 6

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Devon Assurance Partnership

The Devon Assurance Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid Devon, North Devon, Torridge, South Hams, West Devon councils and Devon and Somerset Fire and Rescue. We aim to be recognised as a high-quality assurance service provider in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Global Internal Audit Standards along with other best practice and professional standards.

The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devon.gov.uk.

Confidentiality and Disclosure Clause

This report is protectively marked in accordance with the Government Security Classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

Introduction

Internal auditing is defined by the Global Internal Audit Standards (GIAS) which set out the requirements of a 'Board' and of 'senior management'. For the purposes of the internal audit activity within the Council the role of the Board within the Standards is taken by the Council's Audit Committee and senior management is the Council's Senior Leadership Team. The Audit Committee, under its Terms of Reference contained in the Council's Constitution, is required to consider the Internal Audit Plan to provide assurance to support the governance framework (see Appendix 2).

This Council's Internal Audit Charter formally describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Service, which is provided by the Devon Assurance Partnership (DAP) as represented in the audit framework at Appendix 1, and the scope of Internal Audit work. The GIAS refer to the role of 'Chief Audit Executive'. For the Council this role is fulfilled by the Head of DAP.

The Chief Audit Executive is responsible for developing a risk-based plan which considers the organisation's risk management framework, including using risk appetite levels set by management for the different activities or parts of the organisation as represented in Appendix 3.

The need for robust and effective controls to ensure that resources are used to best effect and deliver the authority's objectives has never been greater. National factors largely beyond the control of the Authority, including rapidly rising energy costs, demand pressures and costs in social care has placed unprecedented pressures on the budget and Internal Audit will help provide independent assurance that risks are known, understood and addressed, and that systems and procedures are sound, effective and efficient.

The audit plan for 2026-27 is a high-level plan which outlines areas for coverage. In collaboration with senior management, we will prioritise areas, issues, and risks for review as the year progresses. This will ensure that the focus of audit coverage is targeted according to the needs and priorities of the Council at that point in time enabling us to add most value. At the start of each audit the scope is discussed and agreed with management with the view to providing assurance to management, the Director of Finance (Section 151) and Members with assurance on the control framework to manage the risks identified. Delivery of the plan will continue to be reported, and any changes agreed formally with management and reported to Audit Committee.

Expectations of the Audit Committee for this annual plan

Audit Committee members are requested to consider: -

- the annual governance framework requirements;
- the basis of assessment of the audit work in the proposed plan;
- the resources allocated to meet the plan;
- proposed areas of internal audit coverage in 2026-27.

Following consideration of the above the Audit Committee are required to note the proposed audit plan.

Tony Rose
Head of Devon Assurance Partnership

High Level Audit Plan 2026-27

There has been a growing trend in the sector towards more flexible audit plans to enable internal audit to be more agile and responsive to the rapidly changing risks, in turn maximising resource focus to clients' needs as and when needed – *Agile Auditing*. This principle looks set to continue and has several benefits with ever changing priority and related risks. Key benefits provide for:

- reduction in non-productive resource planning which subsequently require significant plan changes.
- improved opportunity to keep plan aligned to current risks within Service Areas and as a whole for the Authority.
- more effective and timely pre-audit engagement with Service Leads.
- greater and more regular discussion with client leads – supporting current risk and work priorities.
- agile auditing.
- experience that plans change regularly.
- changes in external risk drivers are more easily picked up in audit assurance needs.

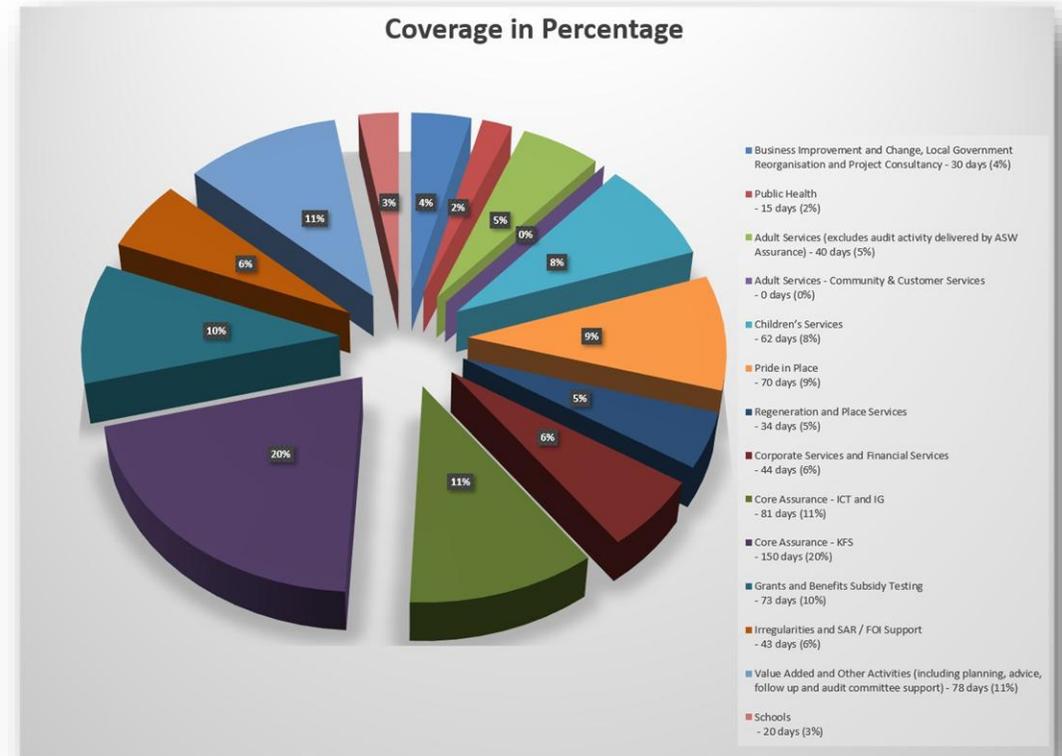
We are aware that for 2026-27 resources could be diverted to LGR (Local Government Reorganisation) in collaboration with the Senior Leadership Team and the S151 Officer. DAP are committed to assisting and supporting with assurance and advisory work, in line with that indicated for internal audit in LGR MHCLG guidance ([List of information on LGR preparatory activities: MHCLG | Local Government Association](#)).

The table on the following page details our proposed high-level overview of audit coverage, this should be considered alongside the pie chart to the right, showing indicative allocation of resource to meet this summary plan. Coverage is spread across service areas to ensure provision of assurance on the wider control framework to inform our annual assurance opinion.

The high-level plan has been developed around the risks identified through risk management, audit needs and perceptions of current issues, through robust consultation with client Senior Leadership Team, the S151 Officer and Audit Committee in line with expectations of GIAS.

Audit work in the most high-risk areas is underpinned by our core assurance work on the main financial systems, numerous grant certifications and work to evaluate management of the Council's ICT and Cyber risks. We also continue to provide an internal audit service to the maintained schools within Torbay.

Audit coverage for the year, based on the priority areas for review referred to in the table below shows a good spread of coverage across the majority of service areas enabling us to provide assurance on the wider control framework from which we will build our annual assurance opinion. The annual planning consultation process facilitated the Council identifying the areas considered to be highest priority for Audit activity in 2026-27, which did not include audits in Community and Customer Services. More detailed terms of reference will be drawn up and agreed with management prior to the start of each individual assignment which may include input from the Council's Counter Fraud Manager – in this way we can ensure that the key risks to the operation or function are considered during our review.



High Level Summary Audit Plan

27 Page Prioritised Risk Areas

High Level Summary Audit Plan					Business Projects & Value Added
Adult Services and Community Services	Public Health	Children's Services	Pride in Place Regeneration and Place Delivery	Corporate Services Financial Services	
ASC Transformation Plan (QA role) Q1-4 ANA Critical Living Well and Independently Q3 ANA Medium Reablement Offer Q3 ANA Medium <u>ASW Assurance</u> <i>The Director of Adult Services works with ASW Assurance to devise an audit plan covering Adult Services delivered by the Trust.</i> Note: no planned work for Community Services (please see reserve list)	Use of Public Health Ring Fenced Grant Q2 ANA Critical	PFI Schools Q1 ANA High Performance and Data Follow Up Q3 ANA Medium Placements Follow Up Q3 ANA High SEND Follow Up Q3 ANA High Service Capacity Q2 ANA High Locality Model Q3 ANA High	Economic Growth Q1 ANA High Events Q2 ANA Medium TCCT Q2 ANA High Harbours Follow Up Q3 ANA Medium Seven Dials Café Follow Up Q4 ANA Medium S106 and CIL Follow Up Q3 ANA High Planning Enforcement Follow Up Q3 ANA High Transport Follow Up Q3 ANA High Assets for Regeneration Q2 ANA High Capital Programme Follow Up Q3 ANA High Capital Recharges Q3 ANA High	Health and Safety Follow Up Q3 ANA High Legal Services Q1 ANA High Equality Act / Human Rights Act Q1 ANA High Counter Fraud Risk Assessment Follow Up Q2 ANA High Asset Management Follow Up Q2 ANA High Revs and Bens Integration (QA Role) Q1-4 ANA High IG and DQ (including CCTV Follow Up) Q3 ANA High	Business Improvement and Change (QA role) Q1-4 ANA Critical LGR (QA Role) Q1-4 ANA Critical Subject access and freedom of information requests Audit Advice Annual Follow Up Activity Irregularity Investigations Audit Process Audit Plan Preparation and Monitoring Audit Committee Reporting External Audit liaison (information provision) AGS (supporting information) Counter Fraud Liaison

Organisational Assurance	ICT ANA Critical – Transforming IT (Q1); Cyber Supply Chain (Q1); IT Asset Management (including Follow Up) (Q3); Technical Framework Review (Q2); ICT KFS (Q2); Modern S/W, AI and Emerging Tech and Digital Disruption (Q3); Shadow IT (Q4)
	Key Financial Systems (KFS) ANA High – Open Revs & D360 System Admin (Q1); FIMS System Admin (Q1); Treasury Management (Follow Up) (Q2); Income Collection (Q2); Creditors and POP (Q4); Main Accounting System and Bank Rec (Q2); Housing Benefits (Q3); CTAX and NDR (incl. Debt Recovery) (Q3); Sundry Debtors (Q3); Asset Register (Follow Up) (Q3); Payroll (Q4)
	Business Governance, Schools Assurance, Grant Certifications ANA High (Q1-4) – Finance, Ethics and Probity Group; Information Governance Steering Group; Grant Certifications; HB Subsidy; Schools audits

The above diagram shows the planned audit coverage in the coming year underpinned by defined, core assurance work. ANA is described in Appendix 3.

Reserve List

Service Area Overview of Reserve Audit Areas				
Adult Services and Community Services	Public Health	Children’s Services	Pride in Place Regeneration and Place Delivery	Corporate Services Financial Services
Deliver Operation Town Centres Community Safety Partnership	Young Persons Substance Misuse	Family Hub Elective Home Education	Heritage Assets Sustainability Brighter Bay Improve Road Safety Land Charges Housing Strategy Housing Stock Paignton and Preston Sea Defence Scheme Cliff and Coastal Defences Planning Building Control	Performance Management Elections Recruitment and Retention / Human Capital Key Priorities Focus Risk Management Governance / Corporate Reporting Council Reputation Procurement of IT Solutions Cyber Security (Topical Requirement)

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The above diagram shows the areas discussed and agreed with Directors and Audit Committee during the audit planning process including those which were placed on a reserve list by the Section 151 Officer, as they could not be accommodated within the commissioned audit plan days. The areas on the reserve list will be reviewed should any of the planned work be deferred in year, or in response to changing priorities.

Fraud Prevention and Detection and Internal Audit Governance

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. Devon Assurance Partnership will continue to investigate instances of potential fraud and irregularities as requested by the Financial, Ethics and Probity (FEP) Group, and will also carry out pro-active anti-fraud and corruption testing of systems considered to be most at risk to fraud as directed by FEP. In recognition of the guidance in the Fraud Strategy for Local Government “Fighting Fraud Locally”, and the TEICCAF (The European Institute for Combatting Crime and Fraud) publication “Protecting the English Public Purse 2016”, DAP will liaise with the Council’s Counter Fraud Manager, to enable resource to be focussed on identifying and preventing fraud before it happens. Additionally, new guidance introduced by CIPFA, in their ‘Code of practice on managing the risk of fraud and corruption’, and also the Home Office ‘UK Anti-Corruption Plan’, will further inform the direction of counter-fraud arrangements going forwards. The collaborative working arrangements between the Internal Audit and Counter Fraud teams, enables intelligence to be shared and resources focussed on higher risk areas to prevent a fraud occurring.

The Cabinet Office runs a national data matching exercise (The National Fraud Initiative - NFI) run every two years, which is managed by Torbay Council’s Counter Fraud Manager. The NFI programme has identified cumulative savings since its creation in 1996. The outcomes exclude the non-financial benefits also experienced by participants, such as improvements in the accuracy of records, or a greater knowledge of the extent and types of risks their organisations might face.

Internal Audit Governance

An element of our work is classified as ‘audit process’ - this is work that ensures effective and efficient audit services are provided to the Council and the internal audit function continues to meet statutory responsibilities. In some instances, this work will result in a direct output (i.e. an audit report) but in other circumstances the output may simply be advice or guidance. Some of the areas that this may cover include: -

- Preparing the internal audit and counter fraud plans and monitoring implementation;
- Preparing and presenting monitoring reports to Senior Management and the Audit Committee;
- Assistance with the Annual Governance Statement;
- Liaison with other inspection bodies e.g. External Audit (Grant Thornton) and ASW Assurance (Internal Audit for NHS);
- Support to the Council’s internal Risk Management team.
- On-going development within the Partnership to realise greater efficiencies in the future.

Partnership working with other auditors

We will continue to develop and maintain effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We participate in a range of internal audit networks, both locally and nationally which provide for a beneficial exchange of information and practices with the aim of improving the effectiveness and efficiency of the audit process, through avoidance of instances of “re-inventing the wheel” in new areas of work.

Appendix 1 - Audit Framework

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015 (revised 2021), which state:
 'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, considering public sector internal auditing standards (GIAS) or guidance'.

DAP, through external assessment, demonstrates that it meets the Global Internal Audit Standards (GIAS).

The Standards require that the Chief Audit Executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. When completing these plans, the Chief Audit Executive should take account of the organisation's risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the organisation's business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal audit opinion and assurance framework.

This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements.



We will seek opportunity for shared working across member authorities. In shared working Devon Assurance Partnership will maximise the effectiveness of operations, sharing learning and best practice, helping each authority develop further to ensure that risk remains suitably managed.

Appendix 2 - Annual Governance Framework Assurance

The Annual Governance Statement provides assurance that

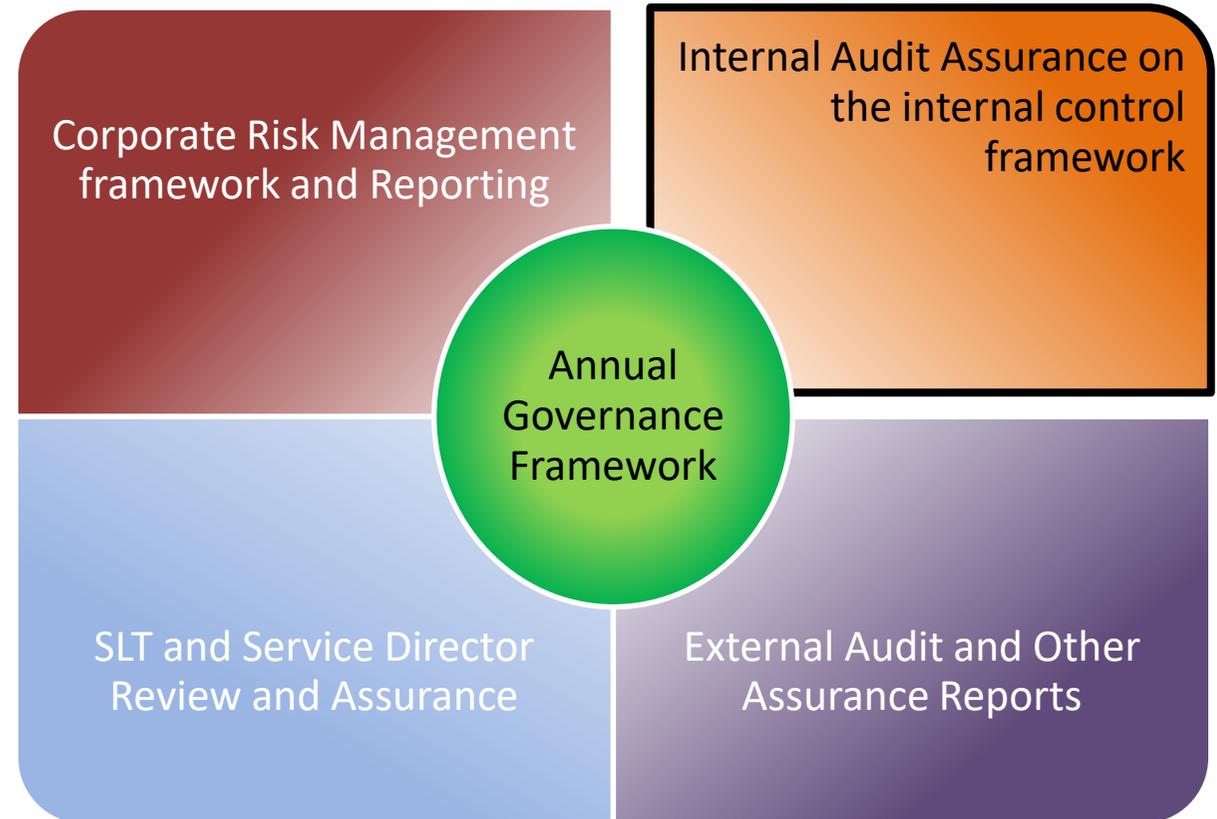
- The Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should: -

- be prepared by senior management and signed by the Chief Executive, Leader of the Council and Chair of the Audit Committee;
- highlight significant events or developments in the year;
- acknowledge the responsibility on management to ensure good governance;
- indicate the level of assurance that systems and processes can provide;
- provide a narrative on the process that is followed to ensure that the governance arrangements remain effective. This will include comment upon:
 - The Authority;
 - Audit Committee;
 - Risk Management;
 - Internal Audit;
 - Other reviews / assurance;

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Provide confirmation that the Authority complies with CIPFA recently revised International Framework – Good Governance in the Public Sector. If not, a statement is required stating how other arrangements provide the same level of assurance.



The AGS needs to be presented to, and approved by, the Audit Committee, and then signed by the Chair.

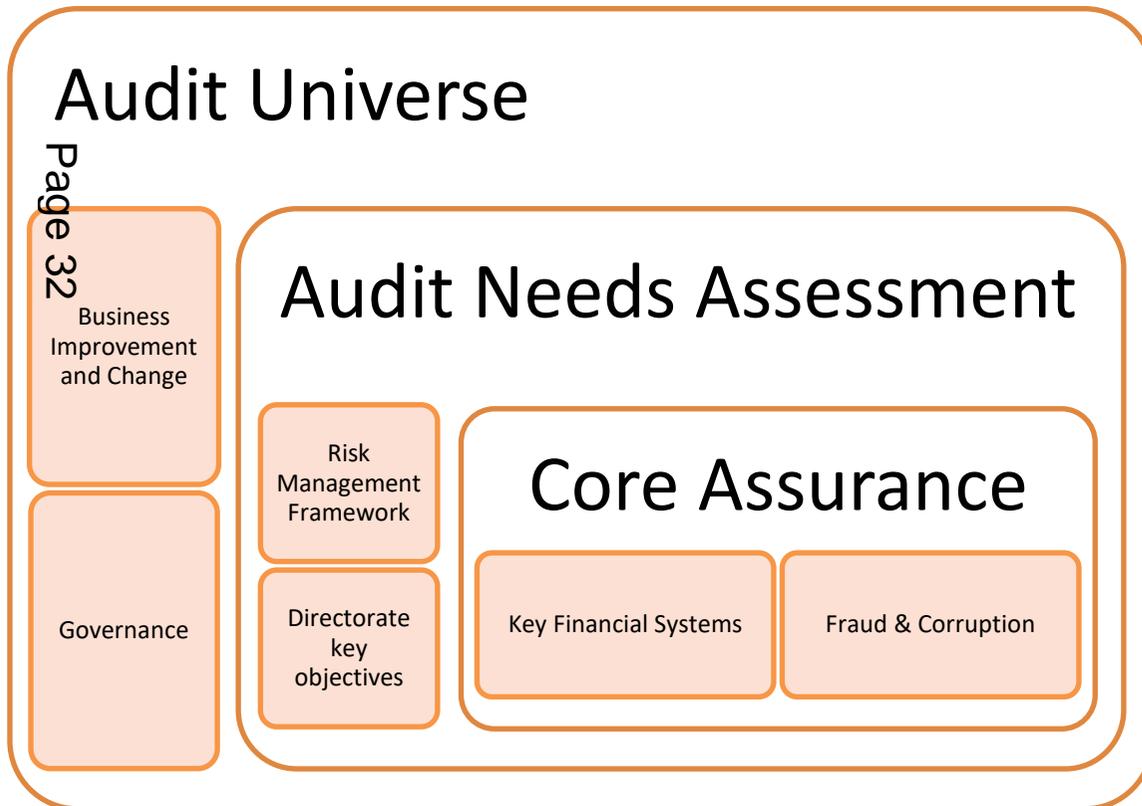
The Committee should satisfy themselves, from the assurances provided by the Annual Governance process, SLT, Internal Audit, and other assurance providers (e.g., ASW Assurance) that the statement meets statutory requirements.

Appendix 3 - Audit Needs Assessment

We work closely with the Section 151 Officer, Directors, and Members to employ a risk-based priority audit planning approach to identify those areas where audit resources can be most usefully targeted.

This involves consideration of global risk themes, the Council’s risk register, the Council’s organisational priorities, and budget consultation information. The plan consultation process recorded areas considered but excluded from the plan in accordance with GIAS.

The result is the Internal Audit Plan set out within the plan on page 4 of this report. A number of areas are placed on a reserve list for future consideration (page 5).

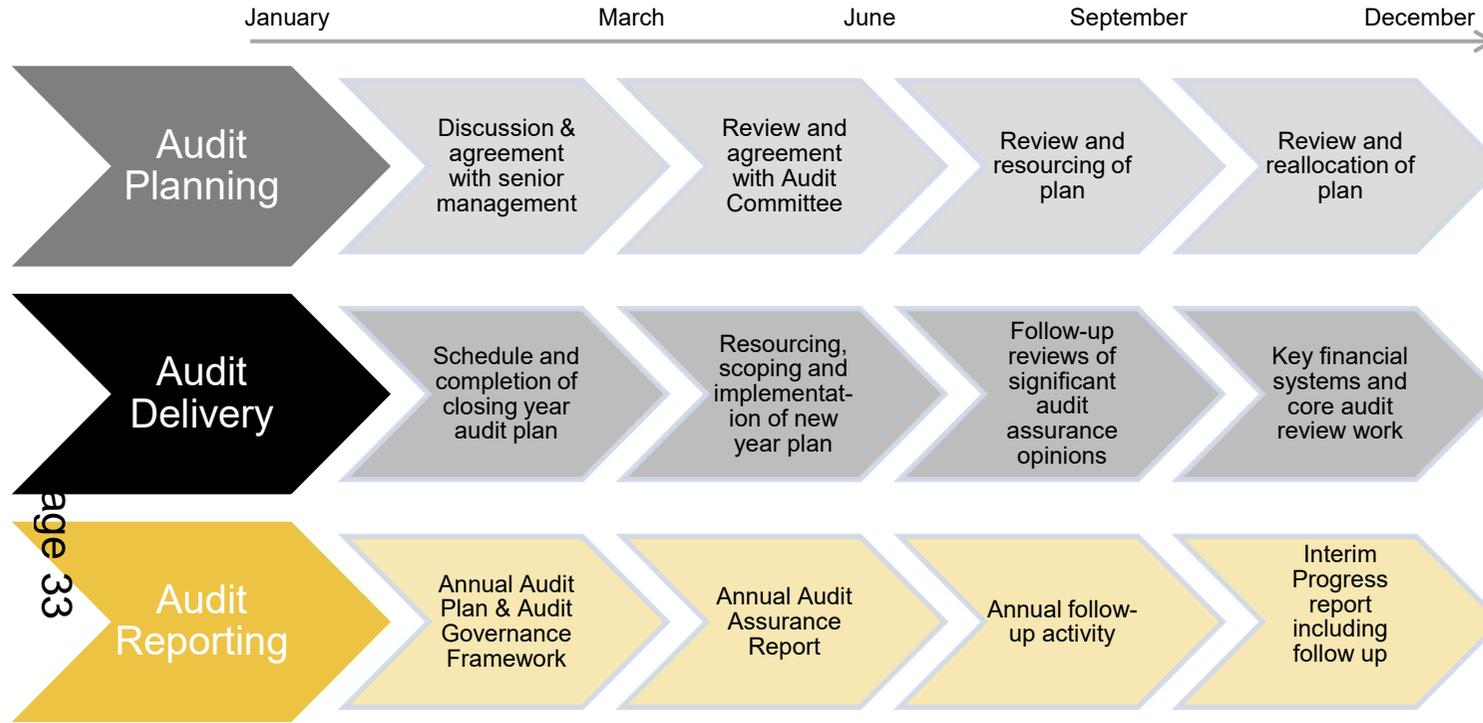


The result is the Internal Audit Plan set out earlier in this report.

The audit plan for the year has been created by:

- Consideration of risks identified in the Authority’s strategic and operational risk registers
- Review and update of the audit universe
- Discussions with the S151 Officer, Senior Leadership Team and Members regarding the risks which threaten the achievement of corporate or service objectives, including changes and / or the introduction of new systems, operations, programs, and corporate initiatives
- Taking into account results of previous internal audit reviews
- Taking into account Internal Audit’s knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council’s delivery plans
- Requirements to provide a 'collaborative audit' approach with the external auditors

Appendix 4 - Our Audit Team and the Audit Delivery Cycle



Date	Activity
Jan 2026 / Feb 2026	Directorate planning meetings
March 2026	Internal Audit Plan presented to Audit Committee
	Internal Audit Governance Arrangements reviewed by Audit Committee
March / April 2026	Year-end field work completed
May 2026	Annual Performance report written
July 2026	Annual Internal Audit Report including outcomes of follow up activity presented to Audit Committee
Jan 2027	Interim Progress report presented to Audit Committee
Jan 2027	2027/28 Internal Audit Plan preparation commences

<p>Tony Rose Head of DAP T 01392 383000 M 077971 322914 E tony.d.rose@devon.gov.uk</p>	<p>Jo McCormick Deputy Head of DAP T 01392 383000 M 079616 50617 E joanne.mccormick@devon.gov.uk</p>	<p>Lynda Sharp-Woods Audit Manager T 01392 382322 E Lynda.Sharp-Woods@devon.gov.uk</p>
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Appendix 5 - Professional Standards and Customer Service

Conformance with Global Internal Audit Standards (GIAS)

The new **Global Internal Audit Standards (GIAS)** took effect for the UK public Sector as of 1st April 2025. There are three key aspects:

- [The GIAS](#); [The CIPFA Code on the Governance of Internal Audit](#); and [The CIPFA Application Note for the GIAS in the Public Sector](#).

These documents combine to set out the framework for Internal Audit that must be followed as per Section 5 of the Accounts and Audit Regulations 2015. During 2025-26 DAP are undertaking a Gap Analysis of existing processes in relation to the above for each DAP Partner. The outcomes will result in action plans that will be worked through with the Partners to ensure compliance; this is likely to require actions from both DAP and Partners to ensure compliance with the revised governance arrangements and other applicable activities. Further information will be provided in the 2025-26 Annual Report.

Conformance – Devon Assurance Partnership (DAP) confirms that its internal audit activity operates in alignment with the Global Internal Audit Standards (GIAS), effective April 2025 for the UK public sector. Our Internal Audit Charter, approved by the Audit and Governance Committee, defines our purpose, mandate and responsibilities, ensuring independence, objectivity, and adherence to ethical principles. The charter mandates unrestricted access to records, systems, and personnel, and establishes accountability to the Audit and Governance Committee, supported by the DAP Management Board and Joint Committee. DAP applies a systematic, risk-based approach to assurance and advisory services, guided by methodologies that conform to the five domains and fifteen principles of the GIAS.

An **external standards assessment** must be conducted at least once every five years by a suitably qualified, independent assessor. For DAP this was last conducted in late 2024 prior to the GIAS by an IIA qualified ex Assistant Director of an Audit Partnership.

The assessment result was that **“Based on the work carried out, it is our overall opinion that DAP generally conforms* with the Standards and the Code of Ethics”**. The report noted that **“As a result of our work, a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion”**. DAP is actively addressing these improvement areas.

* **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

Quality Assessment - The Head of Devon Assurance Partnership maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement is supported by a development programme.

External Assessment - The GIAS state that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS / GIAS and quality assurance are included in this development plan which is ongoing. Our development plan is regularly updated and links to our overall strategy, both of which are reported to the DAP Management Board and DAP Committee.

Customer Service Excellence (CSE)

DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during 2025. This accreditation is a UK-wide quality mark which recognises organisations that prioritise customer service and are committed to continuous improvement.

During the year we have issued client survey forms for some of our reports, and the results of the surveys returned were very good / positive. The overall result is very pleasing, with 98% being "satisfied" or better across our services. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.

Appendix 6 – Audit Authority



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Meeting: Audit Committee

Date: 25 March 2026

Wards Affected: All

Report Title: Risk Management Update

Is the decision a key decision? No

When does the decision need to be implemented? N/A

Cabinet Member Contact Details: Councillor Jackie Thomas, Cabinet Member for Tourism, Culture & Events and Corporate Services, jackie.thomas@torbay.gov.uk

Director Contact Details: Matthew Fairclough-Kay, Director of Corporate Services
matthew.fairclough-kay@torbay.gov.uk

1. Introduction

- 1.1 This report is provided to Members to update them on the Council's current risk position and make them aware of any notable information with regards to the Council's overall risk management arrangements. It is the fourth and final risk report that will be presented to Audit Committee for the financial year 2025/26. In 2026/27 we will revert back to three reports a year as per our risk management policy.
- 1.2 A 5 x 5 risk matrix is used to score the risks, meaning the maximum score a risk could be is 25. All risks that have a mitigated risk score of 16 or above, which is therefore considered to be high or very high risk for the Council, are detailed in the supporting appendices of this report Appendix A shows the Council's strategic risks which are scoring 16 or above and Appendix B shows the Council's corporate risks which are scoring 16 or above.
- 1.3 The Council's Risk Management Policy includes a description of the roles and responsibilities in relation to risk management. The Policy identifies the Audit Committee's role as:
- "Providing assurance that the Council has an effective and proportionate Risk Management Framework in place. As part of this, the committee keeps the Council's Strategic and Corporate Risk Registers under review, providing appropriate challenge as necessary."*
- 1.5 In practical terms Cabinet members are responsible for considering risks to the organisation in all of their decision making. This includes discussing relevant risks included on the registers in their one-to-one meetings with Directors and together, ensuring that action is taken as required.

2. Current Risk Overview

- 2.1 The Council currently has eight Strategic Risks and 68 Corporate Risks appearing on its risk registers. A full list is attached as Appendix C and reflects the risk position as at 10 March 2026.
- 2.2 The eight Strategic Risks all have **unmitigated** scores of 16 or above. As at the time of drafting this report, four have **mitigated** scores of 16 and above. Three of these have increased in the last three months ST04, ST05 and ST10 as shown in Appendix A.
- 2.3 41 of the 68 Corporate Risks have **unmitigated** scores of 16 or above. Ten risks have **mitigated** scores of 16 and above. One has increased within the three months - CP21 as shown in Appendix B.
- 2.4 Risks that have scores of 16 or above highlight that there is a probability that it is likely/almost certain that should the risk occur, it would have a major or critical impact on the business. Below are the risk matrixes for the Council's Strategic and Corporate Risk Registers. They show the number of risks that appear for each score.

Risk Matrix - Mitigated Strategic Risks as at 10 March 2026

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	0	1	1	2
4 - Major	0	0	1	1	0
3 - Moderate	1	0	0	1	0
2 - Minor	0	0	0	0	0
1 - Insignificant	0	0	0	0	0

Total Risks = 8

Risk Matrix - Mitigated Corporate Risks as at 10 March 2026

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	0	4	4	1
4 - Major	0	9	14	3	2
3 - Moderate	0	8	17	3	1
2 - Minor	1	1	0	0	0
1 - Insignificant	0	0	0	0	0

Total Risks = 68

Strategic Risks (mitigated 16 or above)

Code	Risk Title	Optimal Risk Position	Tolerable Risk Position	Current Mitigated Score
ST04	Failure to set a robust budget and Medium-Term Resource Plan	10	10-20	25
ST05	Failure to supply sufficient housing for Torbay's needs	12	12-16	25
ST10	Failure of Torbay and South Devon NHS Foundation Trust to deliver Adult Social Care Statutory duties	10	10-15	20
ST09	Failure to adapt to a changing climate	12	12-16	16

Corporate Risks (mitigated 16 or above)

Code	Risk Title	Optimal Risk Position	Tolerable Risk Position	Current Mitigated Score
CP17	Placement sufficiency	10	10-15	25
CP05	Failure to comply with Health and Safety legislation	10	10	20
CP14	Failure to implement the SEND inspection priority actions and improvements	9	9-12	20
CP15	Failure to stabilise the budget for the Higher Needs block	10	10-15	20
CP46	Effective Housing delivery	8	8-12	20

CP59	Risk of fraud and error causing financial loss or reputational damage to the council	6	6-12	20
CP86	Failure to have effective support and controls in place to support increased Elected Home Education	4	4-9	20
CP21	GDPR Compliance and Effective Information Governance	8	8-12	16
CP68	ASC Transformation Programme fails to deliver financial sustainability	8	8-12	16
CP73	Failure to adequately undertake proactive improvement works to cliffs and coastal defences	12	12-16	16

3. Risk Reviews

3.1 Appendices A and B contain the risk details as at 24 February 2026 when the information was published for the Directors Overview Meeting (DOM). All other information contained in this report shows the latest position as at 10 March 2026.

4. Changes to our Strategic and Corporate Risk Registers

4.1 Since the last report presented to Audit Committee in February 2026, Directors have approved the adoption of the below new risks onto the Council's corporate risk register.

- New CP90 Failure to adhere to the Procurement and Contract Management Policy and Achieve Value For Money
- New CP91 Employee Fraud and Error

4.2 Since the last report to Audit Committee three risks have been archived from the corporate risk register.

- CP43 Failure to have effective procurement and contract management arrangements in place.
- CP70 Failure to prevent employees from being subjected to sexual harassment in the workplace.
- CP85 Potential loss of Community Equipment Service Adult Social Care (ASC).

4.3 The below risks have been revised and had their details updated to reflect their new risk position.

- ST04 Failure to set a robust budget and Medium-Term Resource Plan Stabilising the budget.
- CP61 Failure to realise the benefits of devolution for Devon and Torbay.

5. Overall Risk Position Trajectory

5.1 At the last Audit Committee, members requested a new section to be added to the report that sets out the Council's overall current risk position compared to a year ago and understand the trajectory of what's changed during that time. Below are the matrices which include all the risks appearing on both the strategic and corporate risk registers as at February 2025 and February 2026.

Strategic and Corporate Risks

Risk Matrix - Mitigated Strategic and Corporate Risks as at 10 February 2025

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	3	6	5	1
4 - Major	1	9	13	8	1
3 - Moderate	3	6	15	5	1
2 - Minor	0	2	1	0	0
1 - Insignificant	0	0	0	0	0

Total Risks = 80

Risk Matrix - Mitigated Strategic and Corporate Risks as at 24 February 2026

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	1	5	5	2
4 - Major	1	8	13	5	2
3 - Moderate	2	7	18	4	1
2 - Minor	2	1	0	0	0
1 - Insignificant	0	0	0	0	0

Total Risks = 77

- 5.2 Between February 2025 and February 2026, one risk was archived from the strategic register, and a new one was added which had been escalated from the corporate register.
- 5.3 Compared to a year ago, out of the eight risks on the strategic register, three have mitigated scores that have remained the same, two have scores that have reduced and three have scores that have increased. These are ST04, ST05 and ST10.
- 5.4 As at February 2025 there were three strategic risks appearing at 16 and above, these were ST03, ST05 and ST09. In February 2026 there are four strategic risks appearing at 16 and above, these are ST04, ST05, ST09 and ST10.
- 5.5 Between February 2025 and February 2026 16 risks were removed from the corporate register. One was escalated onto the strategic register, five were de-escalated onto service risk registers and ten were archived. One of which had its details merged into an existing risk on the register. During this time 13 new risks were added to the corporate register. In March 2026, DOM approved a further three to be archived and three new risks added.
- 5.6 As at February 2026 there are 69 risks on the corporate risk register. Compared to a year ago, 35 have mitigated scores that have remained the same, 15 have scores that have reduced and six have scores that have increased. These are CP02, CP03, CP21, CP23, CP59 and CP68.
- 5.7 As at February 2025 there were 12 corporate risks appearing at 16 and above, these were CP05, CP06, CP14, CP15, CP17, CP46, CP47, CP53, CP72, CP73, CP74, CP75. In February 2026 there are 10 corporate risks appearing at 16 and above, these are CP05, CP14, CP15, CP17, CP21, CP46, CP59, CP68, CP73, and CP86.
- 5.8 Out of the eight strategic risks, five of them had changes in score during the 12-month period. Out of the 69 corporate risks, 35 had changes in score during this time. Live risk information will be available during the meeting so members can request to see the trajectory of any specific risks they would like to see.

6.0 Risks Currently Out of Tolerance

6.1 At the time of writing this report the below risks are currently appearing out of tolerance. These were tabled at DOM on 3 March 2026 where they were discussed in detail confirming actions are in place for each one that should bring them back into tolerance.

- ST04 Failure to set a robust budget and Medium-Term Resource Plan
- ST05 Failure to supply sufficient housing for Torbay's needs
- ST10 Failure of Torbay and South Devon NHS Foundation Trust to deliver Adult Social Care Statutory duties
- CP02 Failure to have adequate insurance in place for all council assets and activities
- CP03 Prolonged Data Centre Outage
- CP05 Failure to comply with Health & Safety and Fire Safety Legislation
- CP06 Failure for our wholly owned companies to comply with H&S, fire, environmental legislation
- CP08 Breach of Equality Act or breach of the Human Rights Act
- CP14 Failure to implement the SEND inspection priority actions and improvements
- CP15 Failure to stabilise the budget for the Higher Needs block
- CP17 Placement sufficiency
- CP21 GDPR Compliance and Effective Information Governance
- CP60 Failure to reduce carbon dioxide emissions in line with the current carbon neutral targets
- CP86 Risk of increasing numbers of Elective Home Educated young people
- CP87 Failure to have safe implementation of Liquid Logic for ASC
- CP59 Risk of Fraud and Error causing financial loss or reputational damage to the council
- CP67 Non-compliance with Council's visual identity standards and Web Content Policy
- CP46 Effective Housing Delivery
- CP68 ASC Transformation Programme fails to deliver financial sustainability

7.0 Risk Appetite Member Training

7.1 On the 9 March 2026, the Performance and Risk Manager and Divisional Director of Corporate Services delivered risk appetite training to members of Audit Committee.

7.2 As part of the training it was agreed that risk appetite information will be embedded into future reports as part of Appendix C. It was also agreed that future reports will include a closer look at the strategic risks, so members are reassured that action is happening and taking effect, moving risks in the right direction within their risk appetite.

8.0 Recommendation(s) / Proposed Decision

(i) That the report be noted, and Audit Committee identify any issues it wishes to raise relating to the risks in Appendices A, B and C.

Appendices

Appendix A: Torbay Council's Strategic Risks Detailed Report (16 and above)

Appendix B: Torbay Council's Corporate Risks Detailed Report (16 and above)

Appendix C: Torbay Council's Strategic and Corporate Risk Registers

Background Documents

Report clearance:	This report has been reviewed and approved by:	Date:
Chief Executive	Anne-Marie Bond	MFK for AMB 11 Mar 26
Monitoring Officer	Amanda Barlow	13 Mar 26
Director Of Finance Officer	Malcolm Coe	12 Mar 26
Director Of Corporate Services	Matthew Fairclough-Kay	11 Mar 26

Risk Code: ST04	Failure to set a robust budget and Medium-Term Resource Plan	Accountable Officer : Malcolm Coe
Unmitigated Score: Very High (25)	Description: There have been real term cuts in local authority budgets year on year since 2010. This, along with significant increases in demand for adult and children social care, and high inflation, has resulted in annual budget setting becoming more and more challenging.	Risk Completion Officer : Malcolm Coe
Optimal Risk Position: 8		
Tolerable Risk Position: 8-16		
Mitigated Current Score: High (20)		
Current Direction of Travel: 		
Previous Direction of Travel: 		
		Last Review Date : 16/02/2026
		Identification Date: 30/04/2023
		Previous Date of Change: 30/12/2025
Mitigation status:	Mitigation:	
Action ongoing	Delivery of the Safety Valve improvement plan	
Action ongoing	Medium Term Resource Planning (MTRP)	
Action completed	Re-assess and revise the Council's Capital Investment Plan	
Action ongoing	Re-negotiation of ICO (integrated adult social care) contract	
Latest Note:	There is still a high risk that the Integrated Care Organisation (ICO) provide formal 12 months' notice on the Adult Social Care Contract by 31 March 2026. The government's final Settlement figures were announced on 9 February 2026. Whereas this provided more funding for Torbay Council over the next three financial years, the Council is still facing a funding gap of circa £12m	

Risk Code: ST05	Failure to supply sufficient housing for Torbay's needs	Accountable Officer : David Carter
Unmitigated Score: High (20)	Description: Insufficient housing development to meet Torbay's need for suitable housing to meet local needs and anticipated population growth (including economic growth and affordable housing). The absence of a housing supply may also increase the risk of the Council having to accept development in areas that are less desirable.	Risk Completion Officer : Sam Irving
Optimal Risk Position: 12		
Tolerable Risk Position: 12-16		Last Review Date : 20/02/2026
Mitigated Current Score: Very High (25)		Identification Date: 30/04/2023
Current Direction of Travel: 		Previous Date of Change: 20/02/2026
Previous Direction of Travel: 		
Mitigation status:		
Action needed	Mitigation: Brief members to increase political support & raise awareness of wider consequences of low growth	
Action ongoing	Brownfield regeneration	
Action ongoing	Delivery of appropriate regeneration sites particularly those linked to Town Deal and Future High St	
Action needed	Ensure appropriate figures for Housing numbers are in the revised Local Plan	
Action needed	Ensure Neighbourhood Plans are in place and supported	
Action needed	Evidence base (Housing Need)	
Action needed	Evidence base (Planning)	
Action needed	Housing Strategy	
Action needed	Housing strategy Action Plan	
Action needed	Land supply	
Action ongoing	Liaise with Government organisations	
Action ongoing	Partnership working	
Action needed	Planning Service Fit for the Future Project	
Action needed	Relationship with landowners and developers	
Action completed	Review 106 agreements and implement tighter planning controls	
Action completed	Review structure	
Action ongoing	Unlock stalled sites	
Latest Note: Following restructure, this risk has been transferred to the Housing Delivery Team. However, the risk is not fit for purpose and this has been highlighted with the Performance and Risk Manager who will raise it with DOM in the next risk report.		

Risk Code: ST09	Failure to adapt to a changing climate	Accountable Officer : Alan Denby
Unmitigated Score: High (16)	Description: Our climate is changing. We need to prepare for this. We need to understand where Torbay is currently vulnerable to weather events, and where we may be at risk in the future. Failure to review and plan for this will result in a range of negative economic, social and environmental impacts for the Council and wider Torbay area.	Risk Completion Officer : Liam Montgomery
Optimal Risk Position: 12		
Tolerable Risk Position: 12-16		Last Review Date : 29/01/2026
Mitigated Current Score: High (16)		Identification Date: 22/01/2024
Current Direction of Travel: 		Previous Date of Change:
Previous Direction of Travel:		
Mitigation status:	Mitigation:	
Action ongoing	Flood defences	
Action completed	Local Plan Policies	
Action completed	Review the Devon, Cornwall and Isles of Scilly Consultation Draft Adaptation Strategy	
Latest Note: Completed a Climate Adaptation Risk Assessment in 2025, a full review will be carried out ready for Q1 of 2026. To date the council reviewed and developed its climate risks and has updated the local plan to include stronger planning requirements regarding climate resilience. Work has commenced delivering the Preston and Paignton Flood Defence Schemes.		

Risk Code: ST10	Failure of Torbay and South Devon NHS Foundation Trust to deliver Adult Social Care Statutory duties	Accountable Officer : Anna Coles
Unmitigated Score: High (20)	Description: Torbay Council delegates most of its statutory adult social care duties to Torbay and South Devon NHS Foundation Trust, except for Market Management and strategic commissioning functions. The risk is that TSDFT fails to deliver those delegated statutory duties, which are Care Act Assessment and meeting eligible need, deprivation of liberty and Mental Capacity Act duties and adult social care duties under the Mental Health Act. In addition to the above, TSDFT fail to comply with the Council’s assurance arrangements including making the DASS aware of any failure to their delegated statutory duties.	Risk Completion Officer : Lee Baxter
Optimal Risk Position: 10		
Tolerable Risk Position: 10-15		Last Review Date : 04/02/2026
Mitigated Current Score: High (20)		
Current Direction of Travel: 		Identification Date: 30/03/2023
Previous Direction of Travel: 		Previous Date of Change: 04/02/2026
Mitigation status:		Mitigation:
Action ongoing	ASC Executive Meetings	
Action ongoing	Clear agreements and governance	
Action ongoing	Monitoring and oversight	
Action ongoing	Risk and Audit Arrangements	
Latest Note:	There has been a wide and public communication from the ICO suggesting that they are considering at their board the future of the Section 75 agreement (and whether they will terminate the agreement with Torbay Council). Although there is no final decision, The risk profile has therefore been increased to reflect this.	

Report Key

Risk Code – the unique number assigned to every risk

Title – summarises the risk

Accountable Risk Officer - has overall responsibility for the risk

Risk Completion Officer - is responsible for updating the risk

Last Review Date – the date the risk was last reviewed (updated) on SPAR.net

Identification Date – the date the risk was approved by DOM and set up on SPAR.net

Previous Date of Change - the date the risk score changed from a previous score

Unmitigated Score – is the risk score before any controls are applied

Optimal Risk Position - the level of risk the organisation aims to achieve and operate within

Tolerable Risk Position - the level of risk the organisation is willing to operate within given current constraints

Mitigated Current Score – is the current risk score with controls applied

Current Direction of Travel - Indicates the current score movement against the last review score.

Increased in score from the previous review 

Decreased in score from the previous review 

Score stayed the same 

Previous Direction of Travel - Indicates the direction of travel when the risk score last changed.

Increased from a lower score 

Decreased from a higher score 

Mitigation – the controls in place being used to manage or respond to the risk

Mitigation Status - states if the controls are working

Latest Note – details the current position of the risk mitigations, progress and any challenges being faced

Risk Code: CP05	Failure to comply with Health & Safety and Fire Safety Legislation	Accountable Officer : Matthew Fairclough-Kay
Unmitigated Score: High (20)	Description: Health and Safety is a legislative requirement that is enforced by the Health and Safety Executive (HSE). The HSE intervenes when the organisation is found to be failing in its management of health and safety (in contravention HSG 65). Fire safety is a legislative requirement enforced by Devon and Somerset Fire Rescue Service (DSFRS). DSFRS intervenes where an organisation fails to management fire safety or as a result of a fire incident, in accordance with the Regulatory Reform Fire Safety Order 2005 (RRFSO2005). Routine and periodic inspections of systems are required on ASSURE (the council's health and safety software management system). Likewise, incidents are required to be reported and investigated in accordance with the council's policies and procedures. Effective training, risk assessment and policy underpins organisational Health, Safety and Fire Management. From the 1st of July 2024, the assets which were previously managed by TEDC have transferred back to the Council and are now under direct control. Some of these assets have given cause for concern due to recent near misses/incidents therefore, the risk scoring will need to raise.	Risk Completion Officer : Dave Walker
Optimal Risk Position: 10		Last Review Date : 29/01/2026
Tolerable Risk Position: 10		Identification Date: 23/11/2022
Mitigated Current Score: High (20)		Previous Date of Change: 29/01/2026
Current Direction of Travel: 		
Previous Direction of Travel: 		

Mitigation status:	Mitigation:
Action needed	Adequate Health and Safety/Fire resources available
Action ongoing	Auditing of Assets
Action ongoing	Development and maintenance of ASSURE health and safety system
Action needed	Fire Safety Strategy
Action ongoing	Improved reporting
Action ongoing	Policies and procedures in place
Action ongoing	Risk Assessments
Action ongoing	Systems and procedures
Action needed	Up take of Health and Safety training
Latest Note:	
There have been ongoing incidents across the organisation, which have highlighted both poor H&S practices and a failure of effective fire safety management	
There is an identified need to produce an organisation wide fire safety strategy, clearly identifying roles, responsibilities and the key processes/procedures for effective fire safety management.	
Currently there is no resource to provide more than Fire Risk Assessment across the corporate buildings, leaving the organisation at risk across its other activities. Extra resource has been requested to bring this risk back in tolerance.	
In terms of identified H&S concerns, whilst mitigations have been provided to address these, effective uptake has been limited in some areas. DSE compliance across several directorates remains weak and there have been a number of cases where policies protecting pregnant and nursing mothers have not been followed, contrary to current legislation.	
Training uptake whilst improving, remains generally weak in two key directorates, despite recent restructures.	
Recent issues with the periodic inspection of plant and installations has again highlighted a lack of due diligence in this area, which has put the Authority in breach of regulations.	
It is imperative that competent Fire and H&S Advice is sought prior to initiating projects, developments and the purchasing of sites to ensure that risks are identified in a timely manner and ensuring the organisation is not exposed to additional and unplanned costs and remedial works.	

Risk Code: CP14	Failure to implement the SEND inspection priority actions and improvements	Accountable Officer : Nancy Meehan
Unmitigated Score: Very High (25)	Description: In March 2025, a Joint Area SEND Inspection conducted by Ofsted and the CQC identified significant and systemic weaknesses in the delivery of services for children and young people with special educational needs and/or disabilities (SEND) in Torbay. The inspection resulted in a formal requirement for the local area partnership to submit an improvement plan outlining how priority actions and areas for improvement will be addressed this also means that Torbay is under notice by the Secretary of State. This risk reflects the potential failure to implement those required improvements effectively and within expected timescales, which could lead to continued poor outcomes for children and young people, non-compliance with statutory duties, and further regulatory intervention.	Risk Completion Officer : Hannah Baker, Lisa Chittenden
Optimal Risk Position: 9		Last Review Date : 29/01/2026
Tolerable Risk Position: 9-12		Identification Date: 30/03/2023
Mitigated Current Score: High (16)		Previous Date of Change: 29/01/2026
Current Direction of Travel: 		
Previous Direction of Travel: 		

Mitigation status:	Mitigation:
Action ongoing	Co-Production & Engagement
Action ongoing	Governance and strategic oversight
Action ongoing	Influencing and Partnership Engagement
Action ongoing	Monitoring & Evaluation
Action ongoing	Practice Improvement (Council Led)
Action ongoing	Service Planning & Commissioning
Latest Note:	
Continued pressure on SEND services. Escalated risks include delay in appointing project manager to support programme. ICB is also going through a restructure which is in turn putting more pressure on LA capacity to lead on several aspects of the programme. National issues such as awaited white paper and increased parental anxiety nationally (and locally through an active parent group) is also causing pressure on some systems and cultural changes being forged. All actions in the PIP are on track but some actions are struggling to meet standards as the demand for services continuing to outstrip capacity in all areas.	

Risk Code: CP15	Failure to stabilise the budget for the Higher Needs block	Accountable Officer : Nancy Meehan
Unmitigated Score: Very High (25)	Description: The Higher Needs Block of the Dedicated Schools Grant continues to be overspent. The forecast year end overspend (2022/23) is £2.716m with a cumulative deficit of £11.715m. The Higher Needs Block provides funding to education provisions through the provision of additional support either through identification at SEN K or through the provision set out in an Education Health and Care Plan. The identification of need and the demands on the budget are currently not aligned to the budget received on annual basis. The deficit position of the budget is currently supported by a National Statutory Override, this mechanism is in place for the next three years and provides a way of the Council accounting for the deficit, however this does not address the deficit budget position. In February 2022 Torbay were invited to take part in the Safety Valve programme. The aim of the programme is to agree a package of reform with the DfE and approved by the Secretary of State to implement a DSG Management Plan of the high needs system that will bring the dedicated schools grant (DSG) deficit under control by reducing the spend on the high needs budget by 26/27. Torbay were notified on 14.3.2023 that the Secretary of State had approved the proposals and as a result will support Torbay financially with the HNB deficit on the basis we can implement robustly the proposals within the DSG Management Plan. Torbay will be subject to 3 times a year monitoring visits as part of the scrutiny.	Risk Completion Officer : Lisa Chittenden
Optimal Risk Position: 10		Last Review Date : 26/01/2026
Tolerable Risk Position: 10-15		Identification Date: 30/03/2023
Mitigated Current Score: High (20)		Previous Date of Change: 17/05/2023
Current Direction of Travel: 		
Previous Direction of Travel: 		
Mitigation status:	Mitigation:	
Action ongoing	Ceasing and reviewing Education Health and Care Plans	
Action ongoing	Control – Contributions from agencies	
Action ongoing	Control – Higher Needs Review Group	
Action ongoing	Control – IPOP panel	
Action ongoing	Control – SEND Board and Continuous Improvement Board	
Action ongoing	Early intervention and Prevention	
Action ongoing	Implement the DSG Management Plan	
Action ongoing	Learn from Best Practice	
Action ongoing	Performance data	
Action ongoing	Safety Valve	
Action ongoing	Workforce Development Programme	
Latest Note:	<p>The Safety Valve (SV) agreement came into place on 17th March 2023 providing the deficit budget position to be funded, subject to the ongoing delivery of the SV terms and conditions of the agreement. Regular submissions of the progress made towards the Safety Valve have been provided to the Education and Skills Funding Agency. In April 2025 the LA reported to the Safety Valve team for the first time that Torbay forecasts it would not meet its financial target by March 2027. The DfE have responded and have requested further information.</p> <p>It has been confirmed that December 2025 monitoring report has been successful and that payment is being made.</p> <p>There are significant and sustained pressures and risks as the demand for Education Health and Care Plans is not reducing and the number of plans that are able to be ceased is slowing. We have inputted some mitigations to try to reduce the number of Requests for Statutory Assessment (RSA) such as early Next Steps Meetings prior to RSAs and a robust and rigorous No to Issue process; this has resulted in Torbay EHCP declining by -12%, whereas national figures show a +12% increase in EHCPs. Despite this success financial pressures on those with existing plans continue as per head provision costs rise.</p> <p>Increased pressures is being seen on ISEP tribunal requests (as opposed to LA provision) which is very challenging to defend. The changes being made to specialist provision will positively impact on this in the future but this will take time to work through the system.</p> <p>Torbay educational settings are also at this time facing additional financial pressures from NI increases and teachers pay disputes but also the local factor of a dramatic birth rate dip of more than 25%. This creates additional pressure whereby services and support ordinarily available in schools reduces, forcing more families to seek an EHCP. As such this risk remains high and we will continue to monitor our progress.</p>	

Risk Code: CP17	Placement sufficiency	Accountable Officer : Nancy Meehan
Unmitigated Score: Very High (25)	Description: The cost of placing children in care, including Unaccompanied Asylum-Seeking Children (UASC), continues to be a significant pressure within Children's Service – both within Torbay and nationally. The service continues to focus on early help, prevention and intervention at the earliest possibly point in a child and family's life, mitigating against crisis and reducing the likelihood of a child becoming cared for. Despite the overall numbers of cared for children continuing to reduce in comparison to previous years, significant shortages of suitable and available placements are driving up costs within the market. Price increases since 2021/22 are in excess of 30% in residential and unregulated/unregistered placements. The legislation on unregulated placements changed in September 2022 and continues to result in further pressure on this budget. The budget for Care Placements (including Unaccompanied Asylum-Seeking) overspent by £1.937m in 2023/24, and underspent by £657k in 24/25. This is following the placements budget receiving £2.1m of growth funding for 24/25, as part of the budget setting process for that year. As part of the 25/26 budget setting process, an additional £1.3m has been provided to cover the inflationary increases of the fees being requested by placement providers. The service continues to work hard with colleagues across the Peninsula providers, and this year those providers on the framework have a fee increase of 4% and those placements which are off framework and spot purchased remains at a 3%, the same as 2024-25. However, the high cost of weekly placements for residential and unregistered and unregulated placements remains a concern and a risk to the budget, hence this area will continue to be monitored closely throughout the year.	Risk Completion Officer : Lisa Chittenden
Optimal Risk Position: 10		Last Review Date : 26/01/2026
Tolerable Risk Position: 10-15		Identification Date: 30/03/2023
Mitigated Current Score: Very High (25)		Previous Date of Change: 05/12/2023
Current Direction of Travel: —		
Previous Direction of Travel: ▲		
Mitigation status:	Mitigation:	
Action ongoing	As part of the wider restructure, consider the staffing sufficiency of the Placements Team	
Action ongoing	Continued focus on early help, prevention and edge of care services	
Action ongoing	Diversify and broaden the range of locations from which family time can be facilitated	
Action ongoing	Expand & diversify the range of Short Breaks available for children assessed as requiring provision	
Action ongoing	Focus on permanence	
Action ongoing	Identification of suitable properties	
Action ongoing	Increase the number of Fostering enquiries and approvals in line with Torbay's local aspiration	
Action ongoing	Review targeted support in relation to LD placements & associated joint work with Health	
Action ongoing	To consider how we collaborate with the market to create a children's home for Torbay children only	
Latest Note:		
The budget for Care Placements (including Unaccompanied Asylum-Seeking) overspent by £1.937m in 2023/24, and underspent by £657k in 24/25. This is following the placements budget receiving £2.1m of growth funding for 24/25, as part of the budget setting process for that year. As part of the 25/26 budget setting process, an additional £1.3m has been provided to cover the inflationary increases of the fees being requested by placement providers. The service continue to work hard with colleagues across the Peninsula providers, and this year those providers on the framework have a fee increase of 4% and those placements which are off framework and spot purchased remains at a 3%, the same as 2024-25. However, the high cost of weekly placements for residential and unregistered and unregulated placements remains a concern and a risk to the budget, hence this area will continue to be monitored closely throughout the year.		
During phase 2 of the Transformation we will consider options for more efficient foster care placement arrangements.		
There is a national push to regionalise fostering which brings risk and our 16 plus re-procurement has impacted negatively on sufficiency - therefore this risk remains at a 25.		

Risk Code: CP21	GDPR Compliance and Effective Information Governance	Accountable Officer : Matthew Fairclough-Kay
Unmitigated Score: Medium to High (15)	Description: The Council has to demonstrate compliance to the regulations in all of its processing activities. Failure to do so could result in financial penalty from the Information Commissioner's Office, damage to reputation and potential increase in complaints and claims. Wider information governance compliments GDPR by protecting our residents, Members and staff from threat exposure and possible litigation. (Also applies to SWISCo)	Risk Completion Officer : Joanne Beer
Optimal Risk Position: 8		
Tolerable Risk Position: 8-12		Last Review Date : 18/12/2025
Mitigated Current Score: High (16)		
Current Direction of Travel: ▲		Identification Date: 30/03/2023
Previous Direction of Travel: ▲		Previous Date of Change: 18/12/2025
Mitigation status:	Mitigation:	
Action needed	Compliance Checks	
Action ongoing	Governance	
Action needed	Policy and Procedures	
Action ongoing	Robust Cyber Posture	
Action ongoing	SAR	
Action ongoing	Training	
Latest Note:	The number of subject access requests has increased this financial year and requests are becoming more complex, with significant volumes of information being requested. The team's ability to support projects which require Information Governance input and review has been impacted based on demand pressures within the service and long-term absence. this is causing some delays to DPIAs being reviewed and signed off and data sharing agreements being approved for implementation.	
Risk Code: CP46	Effective Housing Delivery	Accountable Officer : David Carter
Unmitigated Score: High (20)	Description: That the Council fails to ensure delivery of an appropriate breadth and scale of housing to meet Torbay's needs. This means that there will be insufficient housing to meet the requirements of Torbay's communities for the overall number of properties, their size and affordability. There will also be impacts on the Community & Corporate plan should the risk be borne out.	Risk Completion Officer : Sam Irving
Optimal Risk Position: 8		
Tolerable Risk Position: 8-12		Last Review Date : 20/02/2026
Mitigated Current Score: High (20)		
Current Direction of Travel: ▲		Identification Date: 21/06/2023
Previous Direction of Travel: ▲		Previous Date of Change: 20/02/2026
Mitigation status:	Mitigation:	
Action ongoing	Deliver Housing Delivery Plan	
Action needed	Delivery of the Housing strategy action plan	
Action ongoing	Delivery of the Town Centre regeneration programme	
Action ongoing	Development of relationship with Homes England	
Action needed	Releasing Council land assets including greenfield allocated sites	
Action ongoing	Staff resources	
Latest Note:	Following restructure this Risk has transferred to the Housing Delivery Team. However, the risk needs a full review as it duplicates other risks held on the corporate risk register and is now out of date.	
	This has been highlighted to the Performance and Risk Manager who will raise it with DOM in the next risk report.	

Risk Code: CP59	Risk of Fraud and Error causing financial loss or reputational damage to the council	Accountable Officer : Malcolm Coe
Unmitigated Score: Very High (25)	<p>Description:</p> <p>In any organisation, particularly one offering a diverse range of services such as Torbay council, there is an inherent risk from fraud and errors that result in financial loss. The government estimated that between £33.2 and £58.8 billion of public spending was lost to fraud in 2020/21. At Torbay Council, we participate in the National Fraud Initiative, in 2022/23 the exercise identified in one particular area, potential fraud losses of over £200k. The counter-fraud and error team is conducting proactive work with directorates, raising awareness and assisting services with fraud risk assessments. While a number of controls are in place, complacency must always be guarded against, and a corporate risk created to ensure visibility, particularly until the organisation wide fraud risk register is completed and reviewed to assure any key areas of risk are identified, assessed and proactively managed. It is important that the Council has its own processes and procedures in place to prevent itself from committing fraud against other government departments. It is a criminal offence if the Council fails to prevent the facilitation of tax evasion. The Economic Crime and Corporate Transparency Act 2023 includes the requirement for the council to prevent fraud. During Covid and the energy crisis the team's resources and focus were diverted, this generated a backlog in the work programme, further compounded by the reduction in resources seen within the Fraud Team. Although the Council does not yet hold a corporate wide fraud risk register. It is understood that the Council's main areas of risk are currently Cyber Security, Council Tax Single Persons Discount, Council Tax Support, Council Tax Exemptions and Disregards, National Non-Domestic Rates, Blue Badges, Concessionary Fares, Election Fraud, School Admissions, Special Guardianship Orders, Social Housing, Procurement, Diversion of Funds (invoicing), Money Laundering, Internal Fraud, Identity Fraud. The council could also find itself the subject of investigation and action taken against it under the following legislation Criminal Finances Act 2017, Economic Crime and Corporate Criminal Act 2023. As at 10th April 2024 the National Cyber Security Centre advised the CEO (Returning Officer) that they had increased their assessment of risk in respect of threats arising due to the UK's membership of NATO and the G7, in addition to its support for Ukraine. Since this date, the UK Government has pledged additional Military, Non-Military, Humanitarian, Recovery and reconstruction, and Energy support for Ukraine. Therefore, the UK continues to be a target for a range of cyber actors. This risk form has been updated to include specific mitigations in respect of this threat. On 12 March 2025 at the Counter Fraud Conference 2025, Mark Cheeseman, the Chief Executive of the Public Sector Fraud Authority made it clear the main fraud risk in the coming year comes from the introduction of AI to Local Authorities, together with the risk of AI being harnessed by criminals to design new ways of committing fraud at scale.</p>	Risk Completion Officer : Rachel Worsley
Optimal Risk Position: 6		
Tolerable Risk Position: 6-12		Last Review Date : 28/01/2026
Mitigated Current Score: High (20)		Identification Date: 18/01/2024
Current Direction of Travel: —		Previous Date of Change: 28/05/2025
Previous Direction of Travel: ▲		
Mitigation status:	Mitigation:	
Action ongoing	Bank reconciliation	
Action ongoing	Corporate Fraud and Error Team	
Action ongoing	Financial Regulations	
Action ongoing	Fraud and error work plan	
Action ongoing	Fraud reporting route	
Action needed	Fraud Risk Assessments feeding into a corporate fraud risk register	
Action ongoing	Governance reporting	
Action ongoing	Internal Audit	
Action needed	Policies in place designed to prevent and deter fraud	
Action ongoing	Raising awareness	
Action ongoing	Tax and VAT officer	
Latest Note:	<p>DOM requested a push for services to produce FRA, sessions have been held with corporate Governance, HR and IT and planning enforcement. Sessions with Finance, and Children's services scheduled for 28/01/26 and 03/02/26 respectively.</p> <p>It is established the ASC Directorate has delegated fraud risk responsibilities as part of the S75 agreement.</p> <p>Until all fraud risk assessments are complete, the risk score cannot be reduced as comprehensive oversight of the entire organisation is required.</p> <p>Through this work and fraud horizon scanning, it is recommended a new corporate risks are recognised "identity fraud", "artificial intelligence fraud" and "recruitment fraud" a separate risk papers will be prepared and will appear for consideration in due course by the risk owners.</p> <p>Recent Council national assessments highlight substantial growth in low value, high volume frauds, particularly in tenancy, procurement and council tax. These assessments recognise the emerging threats such as identity fraud, insider risk and AI enabled deception, recommending strengthened data access, enhanced intelligence sharing and cross sector collaboration.</p> <p>Local Government Reorganisation (LGR) too will present new fraud risks as governance structures shift and while internal controls are reconfigured and staff adapt to new roles and processes.</p> <p>Alongside LGR pressures, Economic uncertainty and legislative change it is critical councils safeguard public funds by ensuring robust counter fraud culture and controls are maintained throughout.</p> <p>A revised Counter Fraud and Error Policy and a supporting strategy are submitted for DOM oversight before they are due to be adopted at audit committee scheduled for 18 February 2026.</p>	

Risk Code: CP68	ASC Transformation Programme fails to deliver financial sustainability	Accountable Officer : Anna Coles
Unmitigated Score: High (16)	Description: Torbay Council is supporting the Adult Social Care Transformation Programme delivered by the Integrated Care Organisation which has been delegated the delivery of adult social care services on the Council's behalf. The transformation programme was established in April 2024 on agreement by both the Council and Torbay & South Devon NHS Foundation Trust to deliver improved outcomes (both financial and satisfaction) for individuals in receipt of adult social care services within the agreed budget as set out in the Section 75 partnership agreement and memorandum of understanding. The establishment of the transformation programme was a stipulation of the renegotiation of the 5 year Section 75 partnership agreement that was put in place and starts on 1st April 2025 between the Council, the TSDFT and Integrated Care Board.	Risk Completion Officer : Lee Baxter
Optimal Risk Position: 8		Last Review Date : 04/02/2026
Tolerable Risk Position: 8-12		Identification Date: 10/12/2024
Mitigated Current Score: High (16)		Previous Date of Change: 11/11/2025
Current Direction of Travel: —		
Previous Direction of Travel: ▲		
Mitigation status:	Mitigation:	
Action ongoing	Additional leadership capacity within Torbay Council	
Action ongoing	Monitoring and oversight	
Action ongoing	Refocus capacity of Strategic Commissioning team	
Action ongoing	Risk and Audit Arrangements	
Latest Note:	This risk continues and remains a significant concern. At this point all mitigations continue,	

Risk Code: CP73	Failure to adequately undertake proactive improvement works to cliffs and coastal defences	Accountable Officer : David Carter
Unmitigated Score: High (16)	Description: Engineered sea defences and natural coastal assets (cliffs) are subject to wind and wave energy, saline environment, freeze/thaw and vegetation growth all which cause deterioration by erosion, undercutting, overloading, washout of fill material, and corrosion of steel elements. The Council struggles to maintain these assets in line with national policy such e.g. Shoreline Management Plan, corporate priorities and relevant legislation due to budget constraints. There is currently no management plan in place and budget is spent on reactive works. Due to climate change, we are seeing significant damage to the South West coastline. Currently the Council is good at identifying potential issues, however, the current processes and provision do not allow for a planned approach to prevent and limit the need for emergency reactive works.	Risk Completion Officer : Tim Jones
Optimal Risk Position: 12		Last Review Date : 28/01/2026
Tolerable Risk Position: 12-16		Identification Date: 11/12/2024
Mitigated Current Score: High (16)		Previous Date of Change:
Current Direction of Travel: —		
Previous Direction of Travel: —		
Mitigation status:	Mitigation:	
Action ongoing	Active management of the Council estate	
Action needed	Corporate Asset Management Group	
Action completed	Ensure effective data systems and management information is in place	
Action needed	Governance Arrangements	
Action ongoing	Regular Visual Inspections	
Action ongoing	Review Asset Management Strategy	
Action ongoing	Review of allocated corporate budget	
Action completed	Surveys Completed On Time	
Action completed	Tech Forge	
Latest Note:	Recent gale force winds and easterly storm conditions have resulted in damage to Torbay's coastal defences and infrastructure. This has reinforced the need to undertake proactive improvement works to increase resilience and reduce the extent of reactive emergency works required.	
	Inspections are being undertaken with increased frequency at key sites where progressive deterioration of coastal defences and cliffs is known to be occurring.	
	Meetings have taken place to review the Council's procedures for dealing with reactive/emergency works, in terms of resources, roles and responsibilities and budget provision. This includes Torbay's cliffs and coastal defences. These procedures are yet to be fully agreed.	
	The annual coastal asset surveys (cliffs and hard defences) for 2025 are complete and have been uploaded on the Council's Technology Forge system. 2026 inspections relating to key assets have commenced.	
	Review meetings have taken place between Council Directors and the Head of Engineering, to review the coastal vulnerabilities relative to the principles of the Shoreline Management Plan.	
	Funding opportunities, to improve coastal defence, continue to be explored through the Council's ongoing attendance at "South West Coastal Group" and "South Devon and Dorset Coastal Advisory Group" meetings, and direct liaison with the Environment Agency. The EA has also been updated this week on the extent of damage that has occurred to our coastal assets and cliffs as a consequence of storm Ingrid and Chandra.	
	Discussions regarding the creation of a revenue budget for proactive improvements works are ongoing. Whilst there has been good progress raising awareness of the current challenges, the overall level of risk remains unchanged.	

Risk Code: CP86	Risk of increasing numbers of Elective Home Educated young people	Accountable Officer : Nancy Meehan
Unmitigated Score: High (20)	Description: As the number of families opting for Elected Home Education continues to rise, there is a risk that current support mechanisms, oversight processes, and resource allocation may not be sufficient to ensure the safety, wellbeing, and educational outcomes of home-educated children. This could lead to gaps in safeguarding, inconsistent educational standards, and reputational damage to the authority.	Risk Completion Officer : Daniel Hamer
Optimal Risk Position: 4		Last Review Date : 05/02/2026
Tolerable Risk Position: 4-9		Identification Date: 26/08/2025
Mitigated Current Score: High (20)		Previous Date of Change: 26/11/2025
Current Direction of Travel: —		
Previous Direction of Travel: ▲		
Mitigation status:	Mitigation:	
Action ongoing	Develop a Comprehensive EHE Strategy	
Action ongoing	Enhance Family Engagement and Support	
Action completed	Escalation and Intervention Protocols	
Action ongoing	Improve Data Management and Tracking	
Action completed	Increase Staffing and Training	
Action ongoing	Public Awareness and Communication	
Action ongoing	Regular Policy and Procedure Reviews	
Action ongoing	Strengthen Multi-Agency Collaboration	
Latest Note:	Numbers are rising, albeit at a slower rate than the previous year but from a higher base. Exeter University Research project has started with staff reaching out to families.	

Report Key

Risk Code – the unique number assigned to every risk

Title – summarises the risk

Accountable Risk Officer - has overall responsibility for the risk

Risk Completion Officer - is responsible for updating the risk

Last Review Date – the date the risk was last reviewed (updated) on SPAR.net

Identification Date – the date the risk was approved by DOM and set up on SPAR.net

Previous Date of Change - the date the risk score changed from a previous score

Unmitigated Score – is the risk score before any controls are applied

Optimal Risk Position - the level of risk the organisation aims to achieve and operate within

Tolerable Risk Position - the level of risk the organisation is willing to operate within given current constraints

Mitigated Current Score – is the current risk score with controls applied

Current Direction of Travel - Indicates the current score movement against the last review score.

Increased in score from the previous review ▲

Decreased in score from the previous review ▼

Score stayed the same —

Previous Direction of Travel - Indicates the direction of travel when the risk score last changed.

Increased from a lower score ▲

Decreased from a higher score ▼

Mitigation – the controls in place being used to manage or respond to the risk

Mitigation Status - states if the controls are working

Latest Note – details the current position of the risk mitigations, progress and any challenges being faced

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Increased in score from the previous review
 Decreased in score from the previous review
 Score stayed the same



Risk Type	Code	Risk Title	Accountable Officer	Risk Completion Officer	Unmitigated Score	Optimal Risk Position	Tolerable Risk Position	Current Mitigated Score	Last Review	Direction of Travel	Category
Strategic Risk	03	Failure to have good inclusive economic growth	Alan Denby	Liam Montgomery	25	8	8-12	12	18/02/2026	—	Strategic Direction
	04	Failure to set a robust budget and Medium-Term Resource Plan	Malcolm Coe	Malcolm Coe	25	10	10-20	25	05/03/2026	▲	Strategic Direction
	05	Failure to supply sufficient housing for Torbay's needs	David Carter	Sam Irving	20	12	12-16	25	20/02/2026	▲	Strategic Direction
	06	Pandemic or high impact outbreak of infectious disease	Lincoln Sargeant	Mandy Guy	16	8	8-12	12	03/03/2026	—	Operational Delivery
	07	Recruitment and Retention	Matthew Fairclough-Kay	Sue Wiltshire	25	4	4-9	3	11/02/2026	—	Strategic Direction
	09	Failure to adapt to a changing climate	Alan Denby	Liam Montgomery	16	12	12-16	16	11/02/2026	—	Strategic Direction
	10	Failure of Torbay and South Devon NHS Foundation Trust to deliver Adult Social Care Statutory duties	Anna Coles	Lee Baxter	20	10	10-15	20	03/03/2026	—	Strategic Direction
	11	Large scale cyber attack	Matthew Fairclough-Kay	Pauline Godfrey	25	10	10-15	15	11/02/2026	—	Operational Delivery

Total Strategic Risks = 8

Risk Type	Code	Risk Title	Accountable Officer	Risk Completion Officer	Unmitigated Score	Optimal Risk Position	Tolerable Risk Position	Current Mitigated Score	Last Review	Direction of Travel	Category
Corporate Risk	01	Lack of effective risk management	Matthew Fairclough-Kay	Eve Bates	20	8	8-12	8	04/03/2026	—	Legal and Governance
	02	Failure to have adequate insurance in place for all council assets and activities	Matthew Fairclough-Kay	Evelyn Murray	15	10	10	15	12/02/2026	▲	Financial
	03	Prolonged Data Centre Outage	Matthew Fairclough-Kay	Pauline Godfrey	20	10	10	15	20/02/2026	—	Operational Delivery
	05	Failure to comply with Health & Safety and Fire Safety Legislation	Matthew Fairclough-Kay	Dave Walker	20	10	10	20	03/03/2026	—	Health and Security
	06	Failure for our wholly owned companies to comply with H&S, fire, environmental legislation	Matthew Fairclough-Kay	Dave Walker	16	8	8	12	03/03/2026	—	Health and Security
	07	Talent development (Future proofing the workforce)	Matthew Fairclough-Kay	Sue Wiltshire	12	6	6-9	6	24/02/2026	—	Operational Delivery
	08	Breach of Equality Act or breach of the Human Rights Act	Matthew Fairclough-Kay	Laura Hill	16	6	6-9	12	17/02/2026	—	Legal and Governance
	09	Reputation of Council	Anne-Marie Bond	Kate Spencer	16	6	6-9	9	13/02/2026	▲	Reputation
	10	Failure to produce quality data	Matthew Fairclough-Kay	Joanne Beer	25	8	8	6	23/02/2026	—	Operational Delivery
	11	Inadequately prepared to respond and manage the impact of a major incident	Matthew Fairclough-Kay	Steven Harvey	15	8	8	8	20/02/2026	—	Operational Delivery
	12	Ineffective Business Continuity Management	Matthew Fairclough-Kay	Steven Harvey	12	8	8	8	25/02/2026	—	Operational Delivery
	14	Failure to implement the SEND inspection priority actions and improvements	Nancy Meehan	Hannah Baker, Lisa Chittenden	25	9	9-12	20	28/02/2026	▲	Operational Delivery
	15	Failure to stabilise the budget for the Higher Needs block	Nancy Meehan	Lisa Chittenden	25	10	10-15	20	04/03/2026	—	Financial
	17	Placement sufficiency	Nancy Meehan	Lisa Chittenden	25	10	10-15	25	04/03/2026	—	Financial
	19	Recruitment and retention Of Social Workers	Nancy Meehan	Lisa Chittenden	20	6	6-12	6	04/03/2026	▼	Operational Delivery
20	Failure to replace the Paris system	Anna Coles	Lee Baxter	25	10	10-15	8	04/03/2026	▼	Operational Delivery	
21	GDPR Compliance and Effective Information Governance	Matthew Fairclough-Kay	Joanne Beer	15	8	8-12	16	18/12/2025	▲	Legal and Governance	

Increased in score from the previous review
 Decreased in score from the previous review
 Score stayed the same



Risk Type	Code	Risk Title	Accountable Officer	Risk Completion Officer	Unmitigated Score	Optimal Risk Position	Tolerable Risk Position	Current Mitigated Score	Last Review	Direction of Travel	Category
Corporate Risk	22	High levels of customer dissatisfaction	Matthew Fairclough-Kay	Joanne Beer	9	6	6-9	9	23/02/2026	—	Reputation
	23	Implementation of the customer relationship management (CRM) system	Matthew Fairclough-Kay	Matthew Fairclough-Kay	16	6	6-9	8	17/02/2026	▲	Operational Delivery
	24	Failure to have effective, modern software systems in place to support key business areas	Matthew Fairclough-Kay	Pauline Godfrey	20	10	10-15	15	20/02/2026	—	Strategic Direction
	25	Legal costs for Children's Services - Judicial Reviews	Matthew Fairclough-Kay	Amanda Barlow	15	6	6-9	6	12/12/2025	—	Financial
	28	Failure to deliver or facilitate the delivery of future extra care housing	Anna Coles	Adam Russell	12	6	6-12	9	28/01/2026	—	Operational Delivery
	29	Corporate Debt recovery from ASC customers	Anna Coles	Lee Baxter	12	9	9-12	9	03/03/2026	—	Financial
	32	Increased homelessness and insufficient temporary accommodation	Tara Harris	Lianne Hancock	16	12	12-16	12	09/03/2026	—	Financial
	37	Failure to have adequate constitution and democratic governance arrangements in place	Anne-Marie Bond	Amanda Barlow	12	8	8-12	12	07/01/2026	—	Legal and Governance
	39	Delivery of elections / electoral registration	Anne-Marie Bond	Catherine Hayden	20	6	6-15	9	19/02/2026	—	Legal and Governance
	40	Failure to deliver the commitments within the Council's Policy Framework	Anne-Marie Bond	Kate Spencer	12	8	8-12	12	20/02/2026	—	Strategic Direction
	41	Failure to collect, or loss of, income in particular council tax and business rates	Malcolm Coe	Alistair Townsend	20	8	8-12	12	04/03/2026	—	Financial
	44	Failure to adequately prepare for, and meet grant conditions (Capital Projects)	Malcolm Coe	Malcolm Coe	20	6	6-12	8	16/02/2026	—	Financial
	45	Failure to effectively and efficiently deliver the Capital Programme	David Carter	David Carter	20	8	8-12	12	11/02/2026	—	Assets
	46	Effective Housing Delivery	David Carter	Sam Irving	20	8	8-12	20	20/02/2026	▲	Strategic Direction
	47	Effective delivery of Economic Growth Strategy	Alan Denby	Liam Montgomery	20	8	8-12	12	09/03/2026	—	Local Economy
	48	Failure to deliver town centre regeneration projects	Anne-Marie Bond	David Carter	20	8	8-12	12	11/02/2026	—	Local Economy
	49	Failure to have an up to date adopted Local Plan in place	Alan Denby	Liam Montgomery	12	8	8-12	12	21/01/2026	▲	Strategic Direction
	50	Failure to meet Development Management national and local performance targets	Alan Denby	Liam Montgomery	20	8	8-12	9	04/03/2026	—	Strategic Direction
	51	Failure to support people to maintain and access permanent accommodation.	Malcolm Coe	Clive Hayward, Richard Owen	20	6	6-12	6	20/02/2026	—	Strategic Direction
	53	Failure to deliver the Statutory Harbour Authority (SHA) functions	Alan Denby	Matt Reeks	20	8	8-12	12	24/02/2026	—	Operational Delivery
	57	Data loss through use of artificial intelligence	Matthew Fairclough-Kay	Joanne Beer	12	6	6	6	18/12/2025	—	Health and Security
	58	Transfer of Torbay Economic Development Company (TEDC), a wholly owned company, back to the Council	Matthew Fairclough-Kay, Alan Denby	Stuart Loly	20	2	2-4	2	02/03/2026	—	Financial
	59	Risk of Fraud and Error causing financial loss or reputational damage to the council	Malcolm Coe	Rachel Worsley	25	6	6-12	20	04/03/2026	—	Reputation
	60	Failure to reduce carbon dioxide emissions in line with the current carbon neutral targets	Alan Denby	Liam Montgomery	15	6	6-12	15	29/01/2026	—	Environmental Factors
	61	Failure to realise the benefits of devolution for Devon and Torbay	Anne-Marie Bond	Alan Denby	9	2	2-6	6	03/03/2026	▲	Strategic Direction
	62	Deprivation of Liberty (Standard DoLs) waiting list (ICO under delegated tasks of S75 agreement)	Anna Coles	Lee Baxter	12	6	6-12	12	03/03/2026	—	Legal and Governance
64	Failure to deliver the financial sustainability plans	Malcolm Coe	Malcolm Coe	16	4	4-12	8	16/02/2026	—	Financial	
66	Failure to transfer PFI schools back to the Council in good condition with the appropriate workforce	Nancy Meehan	Clare Talbot	20	6	6-12	12	05/03/2026	—	Assets	

Increased in score from the previous review
 Decreased in score from the previous review
 Score stayed the same



Risk Type	Code	Risk Title	Accountable Officer	Risk Completion Officer	Unmitigated Score	Optimal Risk Position	Tolerable Risk Position	Current Mitigated Score	Last Review	Direction of Travel	Category
Corporate Risk	67	Non-compliance with Council's visual identity standards and Web Content Policy	Matthew Fairclough-Kay	Beth Hill	12	3	3-6	9	07/01/2026	—	Reputation
	68	ASC Transformation Programme fails to deliver financial sustainability	Anna Coles	Lee Baxter	16	8	8-12	16	03/03/2026	—	Strategic Direction
	69	Failure to show due regard in relation to our legal duty under the Armed Forces Act 2021	Matthew Fairclough-Kay	Will Harris	15	6	6-9	9	05/03/2026	—	Legal and Governance
	71	Failure to ensure safe maintenance and compliance of the Council's housing stock	Malcolm Coe	Paul Palmer	12	4	4-8	6	02/03/2026	—	Assets
	72	Inadequate resources to satisfy the obligations of the Flood and Water Management Act Schedule 3	David Carter	Tim Jones	12	8	8-12	12	11/12/2025	—	Operational Delivery
	73	Failure to adequately undertake proactive improvement works to cliffs and coastal defences	David Carter	Tim Jones	16	12	12-16	16	11/02/2026	—	Operational Delivery
	74	Failure to effectively maintain Council Heritage Assets	Malcolm Coe	Paul Palmer	20	4	4-12	9	20/02/2026	—	Assets
	75	Failure to effectively maintain and invest in our Operational Estate	Malcolm Coe	Paul Palmer	20	6	6-12	9	20/02/2026	—	Assets
	76	Failure to adequately maintain and invest in our Community Assets	Malcolm Coe	Paul Palmer	6	4	4-8	4	04/12/2025	—	Assets
	77	Failure to effectively achieve commercial income targets from the Council's let estate within Torbay	Malcolm Coe	Paul Palmer	12	6	6-12	9	02/03/2026	—	Legal and Governance
	78	Failure to effectively achieve the commercial income targets from the Council Investment Portfolio	Malcolm Coe	Paul Palmer	16	6	6-12	9	20/02/2026	—	Legal and Governance
	79	Not delivering the anticipated benefits of integrating TDA and Torvista back into Council management	Matthew Fairclough-Kay	Malcolm Coe	16	8	8	8	16/02/2026	—	Legal and Governance
	80	Insufficient capacity, resourcing and engagement with change agenda	Matthew Fairclough-Kay	Mark Hammett	16	6	6-9	9	25/02/2026	—	Legal and Governance
	81	Failure Of Liquid Logic Software System	Nancy Meehan	Lisa Chittenden	12	6	6-9	9	26/01/2026	—	Legal and Governance
	82	Risk of Section 106 money not being deployed against priority areas of need & avoid it being repaid	Alan Denby	Liam Montgomery	16	8	8-12	9	18/02/2026	—	Legal and Governance
	83	Local Government Reorganisation	Anne-Marie Bond	Kate Spencer	12	8	8-12	8	20/02/2026	—	Reputation
	84	Failure to adequately maintain Torbay's Public Highway Asset to ensure a safe and effective network	Alan Denby	Matt Reeks	16	10	10-15	15	24/02/2026	—	Legal and Governance
	86	Risk of increasing numbers of Elective Home Educated young people	Nancy Meehan	Daniel Hamer	20	4	4-9	20	11/02/2026	—	Operational Delivery
	87	Failure to have safe implementation of Liquid Logic for ASC	Anna Coles	Gary Patch	12	2	2-6	9	07/01/2026	—	Operational Delivery
	88	Deprivation of Liberty (Community DoLs) waiting list (ICO under delegated tasks of S75 agreement)	Anna Coles	Lee Baxter	12	6	6-12	9	03/03/2026	—	Legal and Governance
89	Oldway Mansion	Alan Denby	Liam Montgomery	20	6	6-16	12	18/02/2026	—	Reputation	
90	Failure to adhere to the Procurement and Contract Management Policy and Achieve Value For Money	Malcolm Coe	Tracey Field	12	4	4-12	12	04/03/2026	—	Legal and Governance	
91	Employee Fraud & Error	Matthew Fairclough-Kay	Sue Wiltshire	16	8	8-12	12	10/03/2026	▲	Legal and Governance	

Total Corporate Risks = 68

Increased in score from the previous review
Decreased in score from the previous review
Score stayed the same



Report Key

Risk Type – the type of risk e.g. Strategic, Corporate, Service

Code – the unique number assigned to every risk

Risk Title – summarises the risk

Accountable Officer - has overall responsibility for the risk

Risk Completion Officer - is responsible for updating the risk

Unmitigated Score – is the risk score before any controls are applied

Optimal Risk Position – the level of risk the organisation aims to achieve and operate within

Tolerable Risk Position – the level of risk the organisation is willing to operate within given current constraints

Current Mitigated Score – is the current risk score with controls applied

Last Review – the date the risk was last reviewed (updated) on SPAR.net

Direction of Travel – indicates the current score movement against the last review score.

Category – the primary category from Risk Impact Scoring Guide.

Meeting: Audit Committee

Date: 25 March 2026

Wards affected: All Wards

Report Title: Counter Fraud and Error Work Plan 2026 to 2027

When does the decision need to be implemented? 1 April 2026

Director Contact Details: Malcolm Coe, Chief Financial Officer (S151),
Malcolm.coe@torbay.gov.uk

1. Purpose of Report

- 1.1. This report outlines the Torbay Council Counter Fraud and National Fraud Initiative (NFI) Work Plan for 2026-2027.

2. Reason for Proposal and its benefits

- 2.1. The proposals in this report help Torbay Council to deliver our vision of a healthy, happy, and prosperous Torbay by protecting services from fraud and other irregularities ensuring fairness for all.
- 2.2. The reasons for the proposal, and need for the decision are, to support the counter fraud policy and strategy.
- 2.3. The plan is aligned with the five lines of defence, including governance, prevention, detection and redress.

3. Recommendation(s) / Proposed Decision

- 3.1. Review and comment upon the work plan as set out in exempt Appendix 3.

4. Background Documents as Appendices

Appendix 1: Counter Fraud, Error, Bribery and Corruption Policy

Appendix 2: Counter Fraud, Error, Bribery and Corruption Strategy (exempt)

Appendix 3: Post April 2026 DAP Counter Fraud Service (exempt)

Supporting Information

5. Introduction

- 5.1 The current counter fraud work plan spans 2025 – 2026 and is set out in exempt Appendix 3. The work plan has been developed taking into account the aims and objectives of the Counter Fraud, Error, Bribery and Corruption Policy and Strategy as set out in Appendix 1 and 2 respectively.

6. Options under consideration

- 6.1. Option 1 – The Authority may choose to issue a revised Counter Fraud Delivery Plan for the period 2026-27. This approach would provide an updated and clearly defined programme of work, ensuring that the service continues to operate with a robust governance framework while also addressing emerging risks, resource changes, or organisational priorities. A revised plan would allow the service to maintain momentum, deliver continuity, and provide refreshed assurance to senior management and Members. However, it is recognised that Central Government's decision on Local Government Reorganisation, the plan may require further adjustment to ensure ongoing alignment with any new structural, governance or service delivery arrangements.
- 6.2. Option 2 – The Authority could choose to operate the counter fraud service without a formal delivery plan for the forthcoming period. Under this approach, the service would continue to function on a business-as-usual basis, drawing on existing practices, officer knowledge, and ad-hoc prioritisation. While this option reduces the immediate administrative burden of producing a plan, it removes a key element of strategic governance and offers limited assurance regarding the service's direction, priorities, and performance expectations.
- 6.3. Option 3 – extending the 2025 – 2026 delivery plan to align with Local Government Reorganisation (LGR), would in principle provide consistency and allow the counter fraud service to transition smoothly into any new structural arrangements. However, the timetable for Central Government's decision on LGR is not expected until the summer and therefore remains outside Torbay Councils control. As a result, adoption of this option which would mean operating the Counter Fraud function without an approved delivery plan for several months, creating a gap in strategic direction and weakening the governance framework that underpins the service.

7. Financial Opportunities and Implications

- 7.1. Recovery of losses through repayment, civil action, or internal recovery practices
- 7.2. Financial sanctions and penalties where appropriate
- 7.3. Avoidance of ongoing loss, particularly in areas like Council Tax Reductions, Housing or the Blue Badge scheme.

8. Legal Implications

- 8.1. Failure to maintain clear counter-fraud arrangements may be viewed as a breach of statutory responsibility, exposing Torbay Council to challenge

9. Engagement and Consultation

- 9.1. None – In line with established practice across the sector, the authority has determined that public or wider stakeholder consultation on the Counter Fraud Delivery Plan is not appropriate.

10. Procurement Implications

- 10.1. Although procurement activity is not affected at the outset of the Counter Fraud Delivery Plan, the direction and scope of delivery may evolve as priorities are refined. Should any element of the plan require commissioning external support, procuring specialist systems, or entering into collaborative arrangements, this would introduce procurement implications that must be managed in accordance with the Authority's procurement rules. At that point, the Procurement Team will be engaged to ensure compliance with contractual, legal, and financial requirements and to provide appropriate governance and assurance over any procurement-related activity.

11. Protecting our naturally inspiring Bay and tackling Climate Change

- 11.1. None - The Counter Fraud Delivery Plan has no impact on the environment and does not pose any risk to our naturally inspiring bay. The activities set out within the plan relate solely to governance, assurance, and the prevention and detection of fraud, all of which are administrative in nature. No operational actions within the plan require physical works, environmental intervention, or changes to land use, ensuring that the Authority's commitment to protecting and preserving the natural environment remains fully upheld.

12. Associated Risks

- 12.1. Failure to adopt the Counter Fraud Delivery Plan creates uncertainty in how fraud risks will be managed, leaving gaps in strategic direction and weakening internal controls. Without an approved plan, the service may be less effective at preventing and detecting fraud, increasing the likelihood of financial loss and reduced assurance for senior officers, Members, and external auditors. It also heightens the risk of governance criticisms, as the Authority may be seen as lacking a coherent and accountable approach to fraud risk management.

13. Equality Impact Assessment

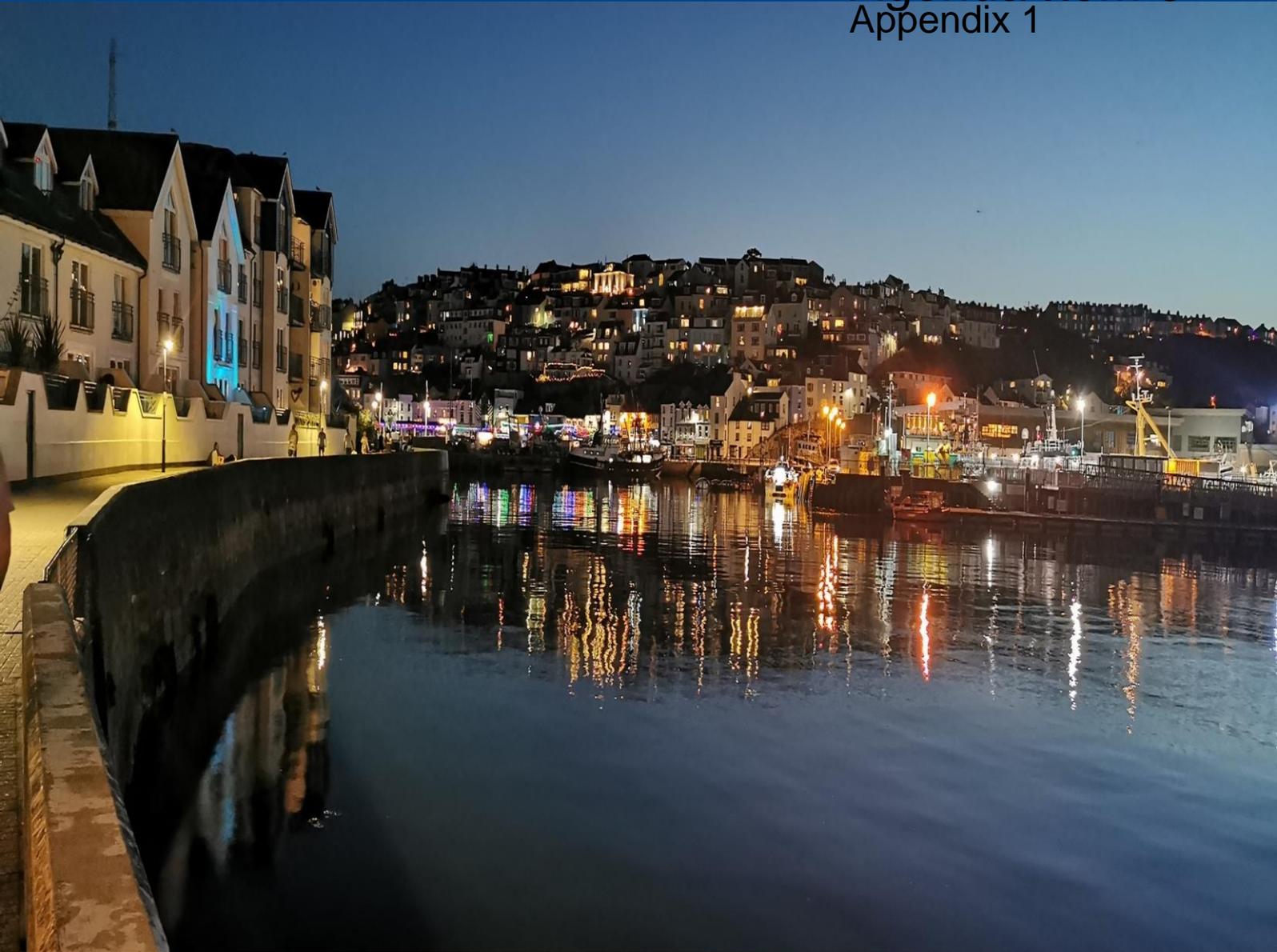
- 13.1 It is unlikely the plan will introduce any negative differential impacts on protected groups. Most activities relate to organisational controls, government, fraud prevention, risk management and statutory NFI compliance, not frontline services or decision making that allocates resources or imposes conditions on individuals.
- 13.2 Where the service interacts directly with individuals, (e.g. in investigations, landlord checks or data matching), processes are governed by legislation, national NFI requirements and internal policy safeguards.
- 13.3 Overall, the impact is considered neutral Fraud prevention and NFI activities operate on datasets such as housing benefit, payroll, council tax reduction and social housing—none of which inherently discriminate by age.

14. Cumulative Council Impact

- 14.1 Strengthened fraud governance, enhanced risk assessments, and the findings from data-matching or investigative activity often reveal deficiencies in internal control environments within individual service areas. These insights may require departments such as Revenues, Benefits, Housing, Procurement, Social Care or HR to revise processes, tighten controls, improve data quality or address systemic weaknesses identified through fraud and audit assurance activity. As these actions are implemented, their effects accumulate across the organisation—improving compliance, reducing exposure to fraud and error, and supporting the Committee’s responsibility for overseeing the effectiveness of the Council’s governance, risk management and internal control framework. Over time, this Council-wide uplift in resilience contributes directly to stronger lines of defence and assurance.

15. Cumulative Community Impacts

- 15.1 The impacts of a counter fraud service on the community are broadly positive. The work helps ensure that public funds and services are protected from misuse ensuring fairness for residents who legitimately rely on Council funded support.



February 2026

Counter Fraud, Error, Bribery and Corruption Policy

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1 Executive Summary

Fraud is the most common criminal offence in the UK costing the public sector up to £49 billion annually, according to the Chartered Institute of Public Finance and Accountancy (CIPFA) and Public Sector Fraud Authority (PSFA).

Torbay Council is committed to upholding the highest standards of integrity and transparency.

This Policy sets out the Council's Strategic approach to preventing, detecting and responding to fraud, bribery corruption and dishonest conduct, both internally and externally.

Alignment with the Economic Crime and Corporate Transparency Act 2023, the policy reinforces the Council's zero-tolerance stance and outlines measures to meet evolving legislative requirements, including corporate liability and the duty to prevent fraud.

Key elements of this policy include:

Culture and Governance A strong antifraud culture, supported by leadership, training and clear reporting channels.

Prevention and risk management Fraud risk assessments and registers maintained by managers, with controls to mitigate risks.

Detection and reporting whistleblowing encouraged; data analytics and matching used to identify anomalies and potential fraud.

Investigation and enforcement Allegations investigated in line with legal standards. sanctions, include disciplinary action, recovery, disruption and criminal prosecution.

Training and awareness ongoing training for staff and councillors; targeted campaign and alerts supporting vigilance and early detection.

Collaboration and Transparency engagement with national bodies and compliance with the Government's Transparency code.

Operational delivery The corporate Counter Fraud and Error team working with internal audit to deliver a robust response, supported by accredited professionals and secure systems.

The Council expects all individuals and organisations, including suppliers, contractors, partners and service users, to act with honesty and integrity. Fraud and corruption will not be tolerated, regardless of the perpetrator.

This policy applies to all actual or suspected internal and external fraud involving councillors, staff, contractors, partners and services users. It defines organisational responsibilities and supports the work of the Corporate Fraud and Error Unit.

Key objectives include:

- raising awareness of fraud risks internally and externally.
- Minimising financial loss
- Support managers in fraud risk mitigation
- Maintaining fraud risk registers and controls
- Promoting culture of reporting and transparency
- Pursuing sanctions and loss recovery

Tools such as data matching, participation in the National Fraud Initiative, and internal investigations help to protect public funds. Prevention remains the most effective defence, and all staff are expected to complete periodic fraud awareness training.

As not all fraud or irregularities can be prevented. A public reporting form is available on Torbay Council's website.

This policy is supported by a anti-fraud and corruption strategy and is regularly reviewed to reflect emerging threats and legislative changes. The publication of this policy reinforces the Councils zero tolerance stance on fraud.

2 Introduction

Torbay Council delivers over 700 services to a population of more than 139,400 residents and is one of the largest employers in the area. The scale and complexity of its operations, many involving financial transactions, public assets, and sensitive data, inevitably expose the organisation to risks of fraud, corruption (including bribery), dishonesty and error.

This policy reaffirms the Council's commitment to safeguarding public funds, maintaining trust, and ensuring ethical governance across all service areas. Fraud, bribery, and corruption are criminal offences and will not be tolerated. Any such activity represents a direct loss to the public purse and undermines confidence in local government.

Torbay Councils approach supports its strategic priorities for a healthy, happy and prosperous Torbay:

Community and people: protects services for vulnerable residents and promotes ethical conduct.

Pride in Place: Safeguards public assets and reinforces civic pride through transparency and accountability

Economic Growth: Minimises financial loss, supports fair competition and strengthens Torbay Councils reputation as a trusted partner.

The Council adopts the principles of the Fighting Fraud and Corruption Locally (FFCL) strategy:

Govern strong leadership and governance arrangements to embed antifraud, bribery and corruption measures throughout the organisation

Acknowledge recognise and understand fraud risks,

Prevent fraud through better controls, data and technology, and

Pursue investigate and recover any losses.

Protect safeguard individuals and organisations from fraud by ensuring services and funds are not diverted

In alignment with national efforts such as the **Economic Crime and Corporate Transparency Act 2023**.

The Council recognises the corporate offence of the failure to prevent fraud and maintains proportionate fraud prevention procedures, provides regular training and adopts effective controls to mitigate fraud risk.

Fraud and error, bribery and corruption and dishonesty, pose significant threats to public confidence, financial integrity and service delivery. Systemic weaknesses can be exploited leading to financial abuse. By analysing detected cases, the council can strengthen internal controls, inform strategic decisions and target resources to prevent reoccurrence.

3 What is fraud?

There are several criminal offences that relate to what might commonly be termed as 'fraud' that are covered by the Theft Act 1968 and the Theft Act 1978. However, the Fraud Act 2006 established criminal laws to assist in the fight against fraud by creating a general offence of fraud with three definitions: -

- False representation (if an individual dishonestly makes a false representation and intends by making the representation to make a gain for himself or another, or to cause loss to another or expose another to a risk of loss
- Failing to disclose information, (if an individual dishonestly fails to disclose to another person information which they are under a legal duty to disclose and intends, by means of abuse of that position to make a gain for himself or another, or to cause loss to another or expose another to risk of loss); and
- Abuse of position (if an individual occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person, and he dishonestly abuses that position, and intends, by means of the abuse of that position, to make a gain for himself or another, or to cause loss to another or expose another to risk of loss.

The Economic Crime and Corporate Transparency Act 2023 introduced a new corporate offence 'failure to prevent fraud'. This applies to large organisations defined as those meeting two or more of the following criteria:

- More than 250 employees
- More than £36 million turnover
- More than £18 million in total assets

Under this offence, an organisation may be held criminally liable if an associated person (such as an employee, contractor or subsidiary), commits a fraud intending to benefit the organisations or its clients, and the organisation did not have reasonable fraud prevention procedures in place. Importantly, it is not necessary to prove that senior management knew about or authorised the fraud.

Whilst this policy does not in itself prevent the risk of fraud occurring, it sets out the council's commitment and approach to maintain a strong anti-fraud culture.

Torbay councils core values are a commitment to being forward thinking, people orientated and adaptable – always with integrity. In support of those core values, the Council will seek to ensure risk from fraud, error, dishonesty, bribery, and corruption is kept to a minimum.

This means questioning our practices and seeking to find innovative solutions to provide new or tighten existing working practices which deter Fraud and Error while protecting or generating income.

This Policy will not compromise the Council's Equal Opportunities Policy or any obligations as an employer under the Employee Code of Conduct or Members Code of Conduct.

4 What is Bribery?

Broadly, the Bribery Act 2010 defines bribery as giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith.

The Bribery Act 2010 provides two general offences covering the offering, promising or giving of an advantage, and requesting, agreeing to receive or accepting an advantage. It also created an offence of failure by an organisation to prevent a bribe being paid for or on its behalf. In simple terms it is the act of taking or receiving something with the intention of influencing the recipient in some way favourable to the party providing the bribe.

Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.

Some simple examples are:

- Bribery to secure or keep a contract.
- Bribery to secure an order.
- Bribery to gain any advantage over a competitor.
- Bribery of a local, national or foreign official to secure a contract.
- Bribery to turn a blind eye to a health safety issue or poor performance or substitution of materials or false labour charges.
- Bribery to falsify an inspection report or obtain a certificate.

Section 2 of the Bribery Act 2010 makes it an offence to accept a bribe.

5 What is Corruption?

Corruption involves the abuse of entrusted power for private gain, often through illegitimate, immoral or unethical means that conflict with an employee or councillor's duties or infringe upon the rights of others. It may be classified as grand, petty, or political, depending on the scale and context in which it occurs.

Additionally, misconduct in public office is a common law offence committed when a public official wilfully neglects their duties or acts in a way that is contrary to their responsibilities.

6 Avenues for Reporting Fraud, Bribery and Corruption

6.1 Torbay Council has in place accessible avenues for reporting suspicions of fraud, bribery and corruption. Employees, elected members, members of the public, contractors and partners should report any concerns or suspicions to:

Counter Fraud and Error Team

Online - **Report fraud within or against the council - Torbay Council**

By email to **corporatefraud@torbay.gov.uk**

6.2 this form caters for any suspicious activity and directs the completed form to the appropriate department or persons in line with the councils **whistleblowing policy**.

7 Culture

Supporting the opposition to fraud through a non-tolerant approach

The public rightly expects the Local authority to conduct its affairs with honesty, transparency and integrity. All colleagues elected members and partners are held to the highest standards of conduct. This policy forms part of a wider integrated approach to reduce the opportunity for fraud, error, bribery and corruption to the lowest level possible through robust prevention, detection and deterrence. Where offences occur, the Council will take appropriate legal and disciplinary action, seek recovery of dishonestly obtained funds for reinvestment into services for the community.

Torbay Councils Counter Fraud, Error, Bribery and corruption policy supports the council commitment to delivering its corporate plan priorities.

All Elected members, colleagues, partner organisations play an important role in creating, promoting and maintaining a culture which requires everyone to always act honestly and with integrity and to safeguard resources for which they are responsible.

Alongside elected members, employees partner organisations, and members of the public have an important role to play in dealing with any instance of fraud. Anyone representing the council should encourage members of the public to report suspected fraud.

Fraud against the council is a fraud against everyone in our community.

Managers are expected to identify risks across their areas of responsibility to inform a council wide fraud risk register. Managers can seek, the assistance of the corporate fraud and error manager and internal audit if necessary. Working together we can identify appropriate mitigating measures.

When fraud, error or dishonesty happens, following a breakdown in the Council's systems or procedures, Directors and managers will ensure that appropriate improvements are implemented to prevent re-occurrence.

In response to the Money Laundering Regulations 2007 the Council has an Anti-Money Laundering Policy in place and a Money Laundering Reporting Officer. This is the councils Counter Fraud and Error Manager.

Those who defraud the Council, who are corrupt, or where there has been financial malpractice will be dealt with firmly.

8 Responsibilities

Prevention, the most efficient and cost-effective way to tackle fraud

Torbay Council's Director of Finance holds statutory responsibilities under Section 151 of the Local Government Act 1972, the Accounts and Audit Regulations 2015 and Torbay Councils Financial Regulations to ensure the proper administration of the Council's financial affairs.

Together with the Chief Executive and the Senior Leadership Team, the Director of Finance also has overarching responsibility for the Councils Counter Fraud, Error, Bribery and Corruption Policy and associated procedures. This includes ensuring the establishment and maintenance of a robust system of internal control designed to prevent fraud and support the achievement of the Councils strategic aims and policy objectives.

The system of internal control is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk will be seen in the context of the management of this wider range of risks.

To ensure effective governance, the Council has established clear structures and oversight mechanisms:

- The Corporate Counter Fraud and Error Team leads operational delivery, working closely with internal audit, legal services and service managers,
- The Audit Governance Committee provides independent oversight, receiving regular reports on fraud risks, investigations and outcomes
- Fraud policy is integrated with key Governance documents, including Financial Regulations, the Whistleblowing Policy and Codes of Conduct.
- A corporate fraud risk register is maintained and reviewed regularly
- Reporting mechanisms are in place for staff to raise concerns, including an online form.

Responsibilities include:

- Assessing fraud risks and regularly reviewing them against key organisational objectives
- Establishing and maintaining an effective anti-fraud policy and fraud response plan
- Designing and promoting a control environment proportional to fraud risks
- Ensuring mechanisms are in place for:
 - reporting fraud risk issues;
 - escalating them to the Audit and Governance Committee
- Liaising with Risk Management and the Governance Bodies to ensure coordinated oversight.

- Ensuring Torbay Councils recruitment policy is adhered to and effective steps are taken at recruitment to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts.
- Promote awareness of the Councils Counter Fraud, Error, Bribery and Corruption policy and ensure all employees know what their responsibilities are in relation to assessing fraud risk, deterring and reporting potential fraud and recovering losses
- Ensuring appropriate counter-fraud training is available, promoted and provided to staff;
- Ensuring vigorous and prompt investigations are carried out if fraud occurs or is suspected;
- Ensuring appropriate legal, financial recovery and/or disciplinary action is taken against fraud perpetrators;
- Hold managers accountable where supervisory failures contribute to fraud;
- Taking appropriate disciplinary action against staff who intentionally fail to report or deter fraud;
- Taking appropriate action to recover stolen assets and monies.
- Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.

Operational Management/Supervisor responsibilities

- Assessing fraud risks associated to their operational activities
- Implementing proportionate, risk-based fraud prevention measures
- Maintaining effective internal controls within each of their areas of responsibility and ensuring these controls operate as intended.
- Preventing, detecting and deterring fraud through proactive management and oversight
- Regularly reviewing and testing control systems to ensure continued effectiveness
- Ensuring compliance with established policies and controls and addressing any weaknesses
- Introducing new controls where fraud has occurred to mitigate future risk or new risks introduced by new products, systems, service provision.

- Promoting fraud awareness, ensuring teams remain up to date with mandatory i-learn courses.
- Promote and encourage staff to report fraud concerns

Every Colleague and elected member of the council are expected to

- Act with propriety in the use of Torbay Councils resources and the handling and use of funds whether they are involved with cash or payments systems, receipts or dealing with suppliers and or customers.
- Be alert to the possibility that unusual events or transactions could be indicators of fraud.
- Report details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events.
- Comply with Torbay Councils Code of Conduct specifically in respect of the declaration of 'Gifts and Hospitality' and potential conflicts of interest.
- Ensure fraud awareness training is undertaken and remains up to date.
- Promote an Anti-Fraud culture
- Cooperate fully with those conducting internal checks, reviews or fraud investigations.

Torbay and South Devon NHS Foundation Trust

The responsibility for investigating fraud within Adult Social Services is currently delegated to the Director of Finance of the Torbay and Southern Devon Care Trust. The Trust's Director of Finance is supported in this role by the Torbay and Southern Devon Care Trust Counter Fraud Service. Where appropriate, matters are shared with Torbay Council's Corporate Counter Fraud Team to ensure cases are managed in the most effective and proportionate manner. The Council's Section 151 Officer continues to receive an annual letter of assurance from the Trust in respect of these arrangements.

9. Conclusion

We have a responsibility to the residents of Torbay to be:

- Transparent
- Accountable
- Honest
- Selfless
- Preventing, deterring and promoting detection of fraudulent and corrupt acts
- Taking action when fraud or irregularities occur, including the recovery of all funds taken

The Council has in place a clear network of systems and procedures to assist it in dealing with fraud and corruption. It is determined that these arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation.

The Council will hold itself and its partners accountable for the prevention, detection, pursuance and recovery of funds obtained by fraudulent activity.

The Council takes pride in setting and maintaining high standards and a culture of openness, with core values of Forward thinking, people orientated and adaptable always with integrity.

This policy supports the Council's desire to maintain an honest authority, free from fraud and irregularities.

Author	Date reviewed	Date approved by DOM	Date agreed by Audit Committee	Next review date
Counter Fraud & Error Manager	January 2026			February 2027

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Meeting: Audit Committee

Date: 25 March 2026

Wards affected: All Wards in Torbay

Report Title: Performance Update: Collection of Council Tax & Non-Domestic Rates

Cabinet Member Contact Details:

Councillor Alan Tyerman, Alan.Tyerman@torbay.gov.uk

Director/Assistant Director Contact Details:

Malcolm Coe, Director of Finance Malcolm.coe@torbay.gov.uk and Alistair Townsend, Strategic Head - Revenues & Benefits, Alistair.townsend@torbay.gov.uk

1. Purpose of Update

- 1.1 At previous meetings of the Audit Committee members requested brief updates on the performance in relation to the collection of Council Tax, Non-Domestic Rates and Benefits in order that they may monitor progress.
- 1.2 Members previously asked for a progress update in relation to the following specific areas:
 - Council Tax Processing time
 - Council Tax and NNDR Collection Rates
 - Number of people in receipt of Council Tax Support
 - Total amount of Council Support paid

2. Performance Information

- 2.1 The latest information available in respect of the performance measures as detailed in 1.2 is provided below.

Council Tax Outstanding Liability Processes

- 2.2 The graph below details the liability processes outstanding over the last three financial years.
- 2.3 The graph shows that since June/July 2023, the number of liability processes outstanding has stabilised with between around 900 and 1,500 outstanding.
- 2.4 It should be noted that these figures relate to liability and other changes instituted by customers. There are a similar number of operational activities that result in internally created processes (such as reviews etc) that are dealt with on a daily basis.
- 2.5 Due to the nature of a demand led service, it naturally follows that there will always be some peaks. The most prominent example of this is during the Annual Billing period when it is expected that the normal variation in outstanding work will expand. However the ongoing

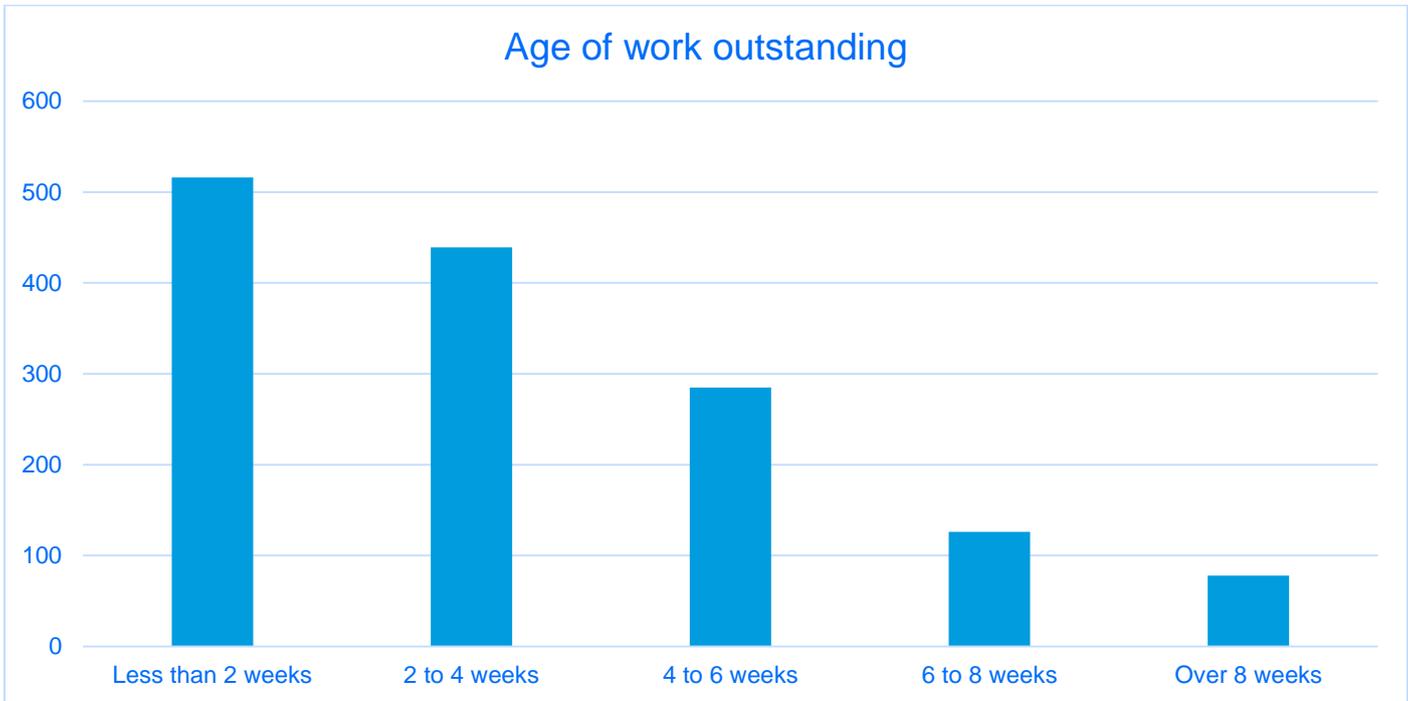
aim is to manage resources in such a way as to maintain performance and this approach is demonstrated in the data.

- 2.6 In order to better manage resources, the Service is undergoing a restructure. One of the main aims of this is to ensure that the Service has the agility to deal with demand changes over time.



Age of Work / Processing time

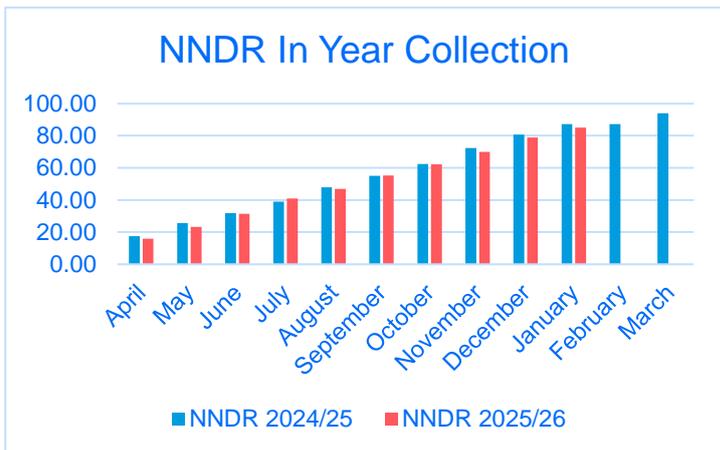
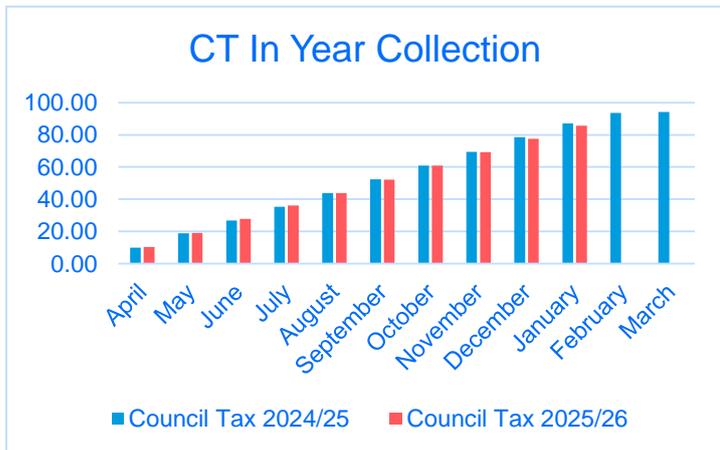
- 2.7 In terms of customer service, one of the key metrics is how quickly a matter is dealt with, generally expressed as ‘processing time’.
- 2.8 Since I last reported to Audit Committee (August 2025), the Service has maintained its performance of processing around 86% of all liability changes within 6 weeks.
- 2.9 The following graph shows that the majority (66%) of the outstanding work is less than four weeks old with only 5% over 8 weeks old. The reason that some work remains outstanding for longer is that the service generally requires further information in order to complete the matter fully, such as one resident notifying the service of a move within the borough and the information being required in relation to the other dwelling.



2.10 In order to better manage incoming work, and to enable increased automation, the Service is in the process of implementing Civica Integrated Workflow to replace the Council’s corporate workflow solution. This is a module within the current core system, which is designed specifically for Revenues and Benefits electronic document management. It is necessary to enable end to end automation of more incoming work, which will reduce end-to-end times further. This was due to be implemented in Q4 2025/26, but due to competing corporate IT priorities, it has had to be delayed until Q1/Q2 2026. This will be followed by the implementation of Civica OpenChannel, which will enable the automation of some high value/low complexity transactions. The aim of this is to free up available resource to work on more complex transactions and to increase resource allocated to recovery activity.

Council Tax and NNDR Collection Rates

2.11 The graph below shows the collections rates for Council Tax and NNDR compared to the last financial year.



2.12 In terms of 2025/26, collection levels are tracking previous years, although are slightly behind. This is likely due to a combination of the economy as a whole, the high level of operational change the Service has experienced, delays in implementing the new document management solution and some delays in recovery caused by the new procurement of Enforcement Agents. The Service also continues to struggle to obtain available dates from the Magistrates Courts, hampering the recovery flow.

2.13 There have been a number of operational changes made to the collection process and these will continue incrementally. There is capacity for further improvements in collection, but this metric generally lags the changes being made by a considerable period.

Number of Residents in receipt of Council Tax Support

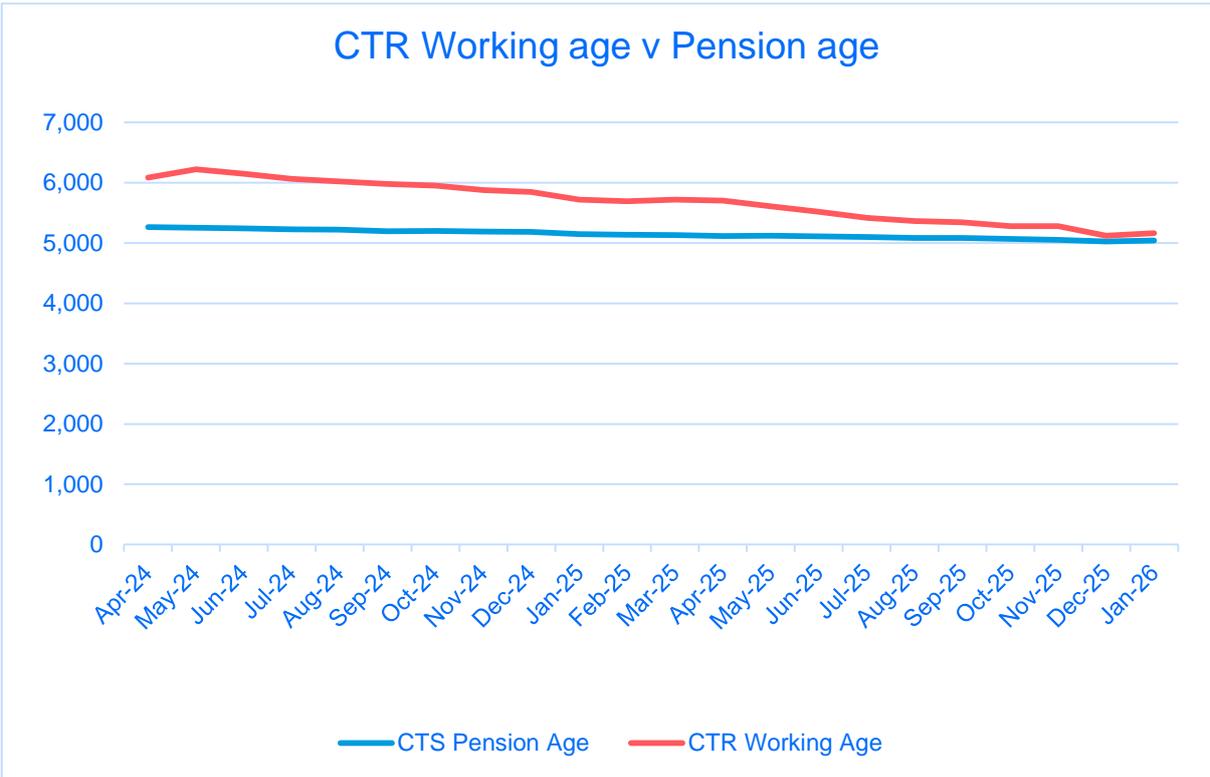
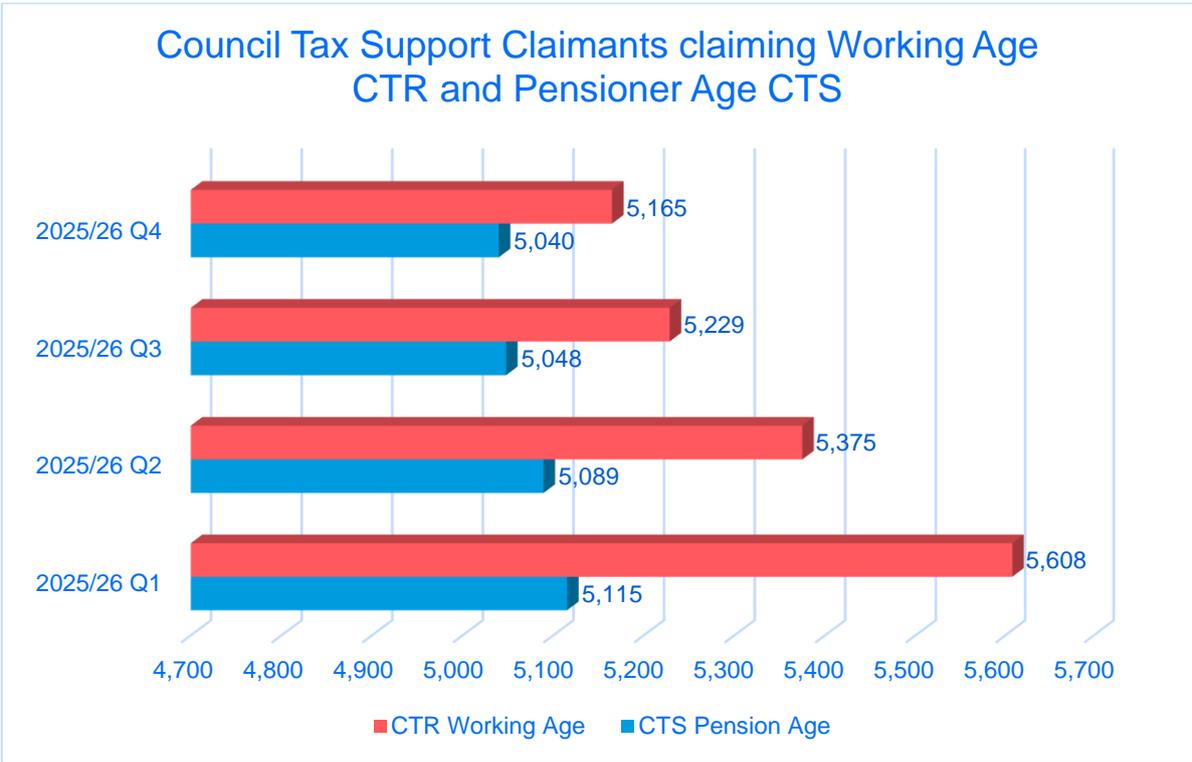
2.14 The number of residents in receipt of council tax support has reduced year on year. The 2025/26 figure for Q4 has been included for the most up to date figure.



Council Tax Support Claimants claiming Working Age CTR and Pensioner Age CTS

2.15 The split between Working Age CTR and Pensioner Age CTS is provided in the graph below. The percentage split between working age and pension age claimants has seen a minimal change over the past year period.

2.16 Please note that the 2025/26 figure includes Quarterly 1-3 periods (April-June, July-September and October-December 2025) and Quarter 4 with January 2026 figures only.



Total Council Tax Support paid by year

2.17 The total council tax support provided by year is detailed in the table below.

Council Tax Support Paid - Claimant Type



2.18 This demonstrates that whilst overall claims are reducing, the cost of proving the reductions increases in line with the Increase in Council Tax generally.

3. Conclusions

- 3.1 Performance has improved and stabilised across the service over the last few years.
- 3.2 The Revenues and Benefits Service continues to be transformed through different ways of working and the use of systems. This includes how customer demand is dealt with and the systems used to manage workflow. These changes will enable greater automation that will free up resource to undertake more recovery activity and to deal with an increasing number of more complex cases.
- 3.3 It naturally follows that increases in Council Tax generally result in larger amounts payable by financially vulnerable groups and the complexity of recovery therefore increases in line with this.
- 3.3 Once the changes are embedded into service delivery, it is anticipated that performance will improve further, but in the short term, due to the level of change it is likely that some KPIs will be adversely affected due to their lagging nature.

Meeting: Audit Committee

Date: 25 March 2026

Wards affected: All

Report Title: Audit Committee Annual Report 2025/2026

When does the decision need to be implemented? Not applicable

Director Contact Details: Malcolm Coe, Director of Finance, Malcolm.coe@torbay.gov.uk

1. Purpose of Report

- 1.1. To review the draft Audit Committee's Annual Report which is recommended to be published annually in line with CIPFA 2022 Position Statement.

2. Reason for Proposal and its benefits

- 2.1. The reasons for the proposal, and need for the decision are, to comply with CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022.

3. Recommendation(s) / Proposed Decision

- 3.1. That delegated authority be given to the Director of Finance in consultation with the Chair of the Audit Committee to make any minor amendments to the Audit Committee's Annual Report for 2025/2026 prior to its submission to Council.

4. Appendices

Appendix 1: Draft Audit Committee Annual Report 2025/2026

5. Background Documents

- CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022
- Audit Committee Self Assessment (CIPFA Guidance) 2024/25

Supporting Information

6. Introduction

- 6.1. In 2024 the Audit Committee undertook a self-assessment facilitated by Devon Assurance Partnership, to seek reassurance of compliance with CIPFA's 2022 Position Statement, it

states 'CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements. This will enable those bodies to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.'

- 6.2. One of the areas identified as a medium impact was the lack of publication of an annual report. The Audit Committee should report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance.
- 6.3. To ensure ongoing compliance, the Annual Report has been developed by Officers as set out in Appendix 1. Input is sought from the Audit Committee as to whether they consider the content and format to be sufficient to demonstrate that expected of the annual report as set out in paragraph 6.2 above.

7. Options under consideration

- 7.1. Option 1 produce an Annual Report.
- 7.2. Option 2 do not produce an Annual Report, this option was discounted. The purpose of undertaking the self-assessment was to identify areas of non-compliance with CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022. To not undertake an Annual Report undermines compliance with the position statement.

8. Financial Opportunities and Implications

- 8.1. None

9. Legal Implications

- 9.1. None

10. Engagement and Consultation

- 10.1. None

11. Procurement Implications

- 11.1. None

12. Protecting our naturally inspiring Bay and tackling Climate Change

- 12.1. None

13. Associated Risks

- 13.1. None

TORBAY COUNCIL

Torbay Council Audit Committee Annual Report 2025/26

Introduction

Chair – Audit Committee, Cllr Nigel Penny

I am pleased to present the second Annual Audit Committee Report to the Council. In accordance with Torbay's Constitution, the Council delegates specific oversight responsibilities to the Audit Committee. This report completes the accountability cycle by providing an overview of how the Committee has discharged those responsibilities over the past year. More detailed information is available through the Committee's published agendas, reports, and minutes.

Accountability is delivered through four principal contributors:

1. **Professional Officers**

Officers are responsible for designing, implementing, and monitoring the Council's systems, procedures, and governance arrangements. They act on emerging issues, keep systems updated in response to internal and external developments, and work closely with Members and Partners to ensure effective and resilient operations.

2. **Internal Audit (Devon Assurance Partnership)**

Internal Audit provides assurance through an Annual Audit Plan which examines the Council's governance arrangements and carries out targeted audits and enquiries. These lead to constructive recommendations and follow-up activity. Their work culminates in an *Overall Opinion* which informs the Annual Governance Statement (AGS).

3. **External Audit (Grant Thornton)**

External Audit undertakes the audit of the Statement of Accounts, offering a financial audit opinion, assessing value-for-money arrangements, and reviewing the AGS to ensure it accurately reflects findings arising from the audit of the accounts.

4. **The Audit Committee**

The Committee receives reports from all the above contributors—and from others such as Partner Organisations where appropriate. It provides scrutiny, challenge, and recommendations. The Committee approves the Statement of Accounts alongside the Section 151 Officer and advises the Leader of the Council and the Chief Executive on the signing of the AGS.

Key Matters for the Council's Attention This Year:

1. **External Audit 'Disclaimer' Opinion for 2024/25**

As in the previous year, the Disclaimer Opinion arises primarily from the national backlog in local authority audit opinions, compounded by the additional complexities of implementing IFRS 16 (Leases). Although the 2025/26 draft accounts will be ready for audit by the end of June, the Section 151 Officer, following discussions with Grant Thornton, plans to accept one further Disclaimer Opinion for 2025/26.

The plan anticipates an *Unqualified Opinion* for 2026/27, subject to no unforeseen issues. This is significant as 2026/27 is the penultimate year before Local Government Reorganisation (LGR) vesting day on 1 April 2028. It is essential that Torbay Council hands over accounts and governance arrangements in sound and robust order. The Internal Audit Plan for the coming year therefore includes LGR-related activity.

2. **Annual Governance Statement (AGS)**

The Committee considered the depth and clarity of assurances regarding the effectiveness of governance arrangements. Following amendments, External Audit confirmed that the AGS appropriately reflected their findings, enabling its approval.

It is particularly encouraging that Officers are updating Torbay's Code of Corporate Governance addressing matters previously raised and aligning it with CIPFA/SOLACE guidance. External Audit has requested that the updated Code be applied for the 2025/26 AGS.

3. **'Reasonable Assurance' from Internal Audit (2024/25)**

Internal Audit's Overall Opinion of *Reasonable Assurance* indicates a high level of confidence in the Council's overall risk and control environment, while noting that isolated areas may require targeted improvements.

4. **Other Significant Developments**

At its February 2026 meeting, the Committee considered improved Counter Fraud and Corruption Strategy and Policy documents, and offered strong support for their implementation. Looking ahead, the planned introduction of a formal Risk Appetite framework will significantly strengthen Torbay's risk management approach, placing the Council at the forefront of modern, responsive practice. This will feature prominently in next year's Report.

Closing Remarks

Strong governance relies not only on processes and systems but also on the commitment of staff across the organisation. Torbay Council continues to develop a positive and proactive risk culture moving away from the perception of risk management as something that "happens elsewhere" and towards shared ownership across all services.

I would particularly like to acknowledge the Finance Team for their considerable efforts in helping resolve the audit backlog and the challenges associated with IFRS 16, as recognised by External Audit. Thanks are also due to the teams leading our risk management and counter-fraud work, whose dedication has been vital in strengthening the Council's resilience.

1. Purpose of the Audit Committee Annual Report

1.1 Under CIPFA best practice the Audit Committee should produce an annual report on its performance to Full Council. This report summarises the work of the Audit Committee during 2025/26 and how it has fulfilled its duty. To assess its performance the following key areas have been considered, as aligned to CIPFA best practice:

- Membership and Attendance
- Performance in delivery of its Terms of Reference
- Compliance to the CIPFA Audit Committee Position Statement
- Compliance to CIPFA Audit Committee Best Practice Self-Assessment
- Assessment of Skills and Knowledge
- Training and Development

2. Governance

2.1 The Chartered Institute for Public Finance and Accountancy (CIPFA) describes the overall aim of good governance as:

'To ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities'

CIPFA Delivering Good Governance in Local Government Framework 2016 Edition
(the Good Governance Framework)

2.2 Good governance is ultimately the responsibility of Full Council as the governing body of Torbay Council. This report provides assurance to the way in which the Audit Committee has discharged its role to support the Full Council in this responsibility.

3. Role of the Audit Committee

3.1 The Audit Committee is a key component of the Council's governance framework. Its purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective. The Audit Committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

3.2 The Audit Committee is directly accountable to Full Council. It is independent of both the cabinet and the scrutiny functions and is a key advisory committee providing independent oversight, recommendations, opinions and influence on the matters for which it is responsible. To assist the Audit Committee in fulfilling its role, it has a right of access to and is expected to engage constructively with other committees and functions, for example scrutiny committee, corporate risk management groups/boards where they exist and other strategic groups. The Audit Committee also has the right to request reports and seek assurances from relevant officers.

3.3 The Audit Committee is governed by its terms of reference that shall be reviewed by Full Council on the advice of the committee to ensure that they remain fit for purpose and in accordance with any relevant regulations and guidance. Any revisions will be

agreed by the Full Council and by the Audit Committee. The current Audit Committee Terms of Reference were approved by Full Council on 15 May 2025 and are based on CIPFA's recommended Audit Committee Terms of Reference.

Audit Committee Membership

3.4 Membership

Number of Members	6 elected members and 1 Independent Person
Substitute Members Permitted	Yes
Political Balance Rules apply	Yes
Appointments	Appointments to the Committee are made annually by Council.
Restrictions on Membership	Cabinet members may not be a member of this Committee
Restrictions on Chair/Vice-Chair	None
Quorum	3
Number of ordinary meetings per Council Year	At least 4 per year

3.5 During 2025/26 there was a Conservative vacancy on the committee following notification that a Member of the Conservative Group wished to be known as an Independent Councillor. The vacancy was covered by a substitute for two meetings during the year.

4. How the Audit Committee has discharged responsibilities against its Terms of reference

4.1 Governance, risk and control

Governance, risk and control	Frequency
To review the council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance	P
To monitor the effective development and operation of risk management in the council.	P
To monitor progress in addressing risk-related issues reported to the committee.	P
To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.	P
To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code	A
To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	A

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| To review the assessment of fraud risks and potential harm to the council from fraud and corruption. | A |
| To monitor the counter fraud strategy, actions and resources | P |
| To review the governance and assurance arrangements for significant partnerships or collaborations | P |

P=Periodically, Q=Quarterly, A=Annually

The Audit Committee received a number of reports throughout 2025/26 to help inform how governance is operating within the Council and to provide an insight to how well risk management and internal control is operating. Key information presented to the committee included:

Regular Risk Management Reports/Updates

- 4.2 The Audit Committee has received regular reports on risk management. Effective risk management can have a major impact on the successful achievement of the objectives, policies, and strategies of the authority. The Account and Audit Regulations 2015 require the Council to have in place effective arrangements for the management of risk.
- 4.3 The Audit Committee has challenged officers around the level of engagement on risk management and requested that reports that the Audit Committee receive were amended to include additional information to assist in their oversight with how effectiveness the management of risks is within the Council.
- 4.4 The Audit Committee has had sight of the work undertaken by directors to develop risk appetite statements. The newly adopted risk appetite statements have been incorporated into the Council's decision-making framework enabling Members and Officers to make informed decisions. Future risk reports will include information that show if risks were out of tolerance so Directors and Members could ensure appropriate action was taken to respond accordingly.
- 4.5 The risk management reports have been developed and the committee receive an update on the risk registers and the risk position in respect of the wholly owned subsidiary (SWISCo). This enhances the management effectiveness of risk management which the committee have oversight of.

Financial Management Code Compliance

- 4.6 The audit committee plan to undertake this piece of work in 2025/26

Review of Councils counter fraud and corruption arrangements

4.7 Anti-fraud and corruption work forms an important part of our corporate governance and internal control framework. A number of reports are scheduled as part of audit committee work with the following reports being considered by audit committee during 2025/26:

- **Counter Fraud and Error Update – 2024/25** – report on counter fraud activity undertaken in 2024/25
- **Counter Fraud and Error – 6 month Update** - an update on counter fraud activity for the first 6 months of 2025/26, including progress against the 2025/26 Counter Fraud Plan
- **Counter Fraud and Corruption Policy and Strategy** – an update of the Policy and the introduction and implementation of a Counter Fraud and Corruption Policy.

5. Financial and governance reporting

Financial and governance reporting	Frequency
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Governance reporting

To review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.	A
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To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.	A
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Financial reporting	Frequency
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To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.	A
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To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.	A
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Financial and governance reporting	Frequency
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To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.	A
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P=Periodically, Q=Quarterly, A=Annually

Presentation of financial accounts & External Auditors Reports

- 5.1 The Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (amendment) Regulations 2022 states that, as part of the formal process of closing the accounts, the Chief Financial Officer is required to approve the draft statement of accounts by the 30th June. As part of the Audit Committees role in signing off the annual accounts is to examine the report from External audit on any matters arising through their work on the accounts. The Audit Committee has reviewed and commented on all external audit finding reports relating as well as commenting on the financial accounts.

6. Arrangements for audit & assurance – External Audit

External audit	Frequency
To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.	P
To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.	A
To consider specific reports as agreed with the external auditor.	P
To comment on the scope and depth of external audit work and to ensure it gives value for money.	A
To consider additional commissions of work from external audit.	P
To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.	P
To provide free and unfettered access to the Audit Committee chair for the auditors, including the opportunity for a private meeting with the committee.	A

- 6.1 The committee plays a significant role in overseeing the Council's relationship with its external auditors and takes an active role in reviewing the external audit plan, progress reports and annual report setting out external audit findings and the value for money review/conclusion. Grant Thornton UK LLP is the Council's current appointed auditor, appointed through the public sector audit appointment (PSAA) process.

7. Arrangements for audit & assurance – Internal Audit

Internal audit	Frequency
To approve the internal audit charter	A
To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.	P
To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.	A

To approve significant interim changes to the risk-based internal audit plan and resource requirements.	P
To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations	P
To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments	P
To consider reports from the head of internal audit on internal audit's performance during the year	P
To consider the head of internal audit's annual report	A
To consider summaries of specific internal audit reports as requested	P
To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.	P
To contribute to the Quality Assurance and Improvement Plan (QAIP) and in particular to the external quality assessment of internal audit that takes place at least once every five years	P
To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations	A
To provide free and unfettered access to the Audit Committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.	P

P=Periodically, Q=Quarterly, A=Annually

Internal audit services are provided by Devon Assurance Partnership which is a shared service arrangement between Devon County Council, Torbay Council, Plymouth City Council, Mid Devon District Council, Torridge District Council, North Devon District Council and Devon and Somerset Fire and Rescue Authority.

The partnership has a management board made up of representatives from the partner members and a single Head of Partnership who fulfils the role of Chief Internal Auditor for each of the authorities.

The partnership is governed as a joint committee under Section 20 of the Local Government Act 2000. The joint committee has Members from each of the Councils, supported by a management board comprising the Directors of Finance (Section 151 Officers).

Internal Audit Charter & Approval of the Risk Based Audit plan

7.1 The Audit Committee received the internal audit plan and charter and the committee feed in their views on areas of potential risk and assurance that should be considered. The audit plan was pulled together through collaboration with key stakeholders to ensure that the widest view on risk and assurance requirements was taken into account.

7.2 Annual Internal Audit Opinion Report

The Annual Internal Audit Opinion Report summarises the work of internal audit to provide an 'independent' view from the Head of Internal Audit on how well governance, risk management and internal control is operating within the authority. The report is based on the work undertaken by Internal Audit, but can draw on other sources of assurance where appropriate.

Progress Update Reports & Significant Internal Audit Findings

7.3 Internal audit provided regular update reports to the Audit Committee on performance against the internal audit plan, highlighting areas of significant governance, risk or control weaknesses identified through their work. These update reports included the summary of key findings where weaknesses were identified. As part of the internal audit process, agreed management actions are captured for addressing weaknesses and these are monitored through

There were no issues raised around scope limitations through the work of internal audit during 2025/26 nor were there any areas where management chose to 'accept' the level of risk being highlight by internal audit through their work.

Also, to maintain independence and objectivity the head of audit does not undertake additional roles or responsibilities.

Quality Assurance and Improvement Plan (QAIP) and the External Quality Assessment (EQA)

7.4 DAP's EQA was last performed 2024/25 and is required to be undertaken every 5 years by the Public Sector Internal Auditing Standards (PSIAS). From 1st April 2025 PSIAS has been replaced with GIAS (Global Internal Auditing Standards). The partnership was externally assessed and re-awarded the accreditation in November 2024 and therefore next accreditation will be due in Nov 2029.

7.5 The partnership has a QAIP which sets the high level strategic aims of the partnership and was updated in May 2025. It covers the following areas and identifies the risks associated with each area:

People

Quality

Growth & Sustainability

Liaison with Chair and Vice Chair of the Audit Committee

7.6 Officers and external partners such as Grant Thornton and Devon Assurance Partnership are continually liaising with Chair and Vice Chair of the committee. Ad-hoc meetings are set up by officers as required if any urgent issues arise.

8. Audit Committee Accountability Arrangements

Accountability arrangements	Frequency
To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions	A
To report to Full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.	A
To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement.	A

P=Periodically, Q=Quarterly, A=Annually

The Annual Governance Statement is a statutory document which explains the processes and procedures in place to enable the council to carry out its functions effectively. The AGS is produced following a review of the council's governance arrangements and includes an action plan to address any significant governance issues identified. A key role of the Audit Committee is to ensure that the annual governance statement is an accurate assessment of governance, risk management and internal control operating in the authority drawing on information the committee has received and contains an action plan on areas for improvement.

Audit Committee Annual Report to Full Council

8.1 This document constitutes the annual report to Full Council providing an overview of the work undertaken by the Audit Committee to comply with its terms of reference. This report highlights information received by the Audit Committee in discharging its delegated responsibility for oversight for governance, risk management and internal control.

CIPFA Self-Assessment of Good Practice

8.2 The 2022 CIPFA Audit Committee Guidance provides a framework for assessing the Audit Committee against good practice. Where an Audit Committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective Audit Committee. A regular self-assessment should be used to support the planning of the Audit Committee work programme and training plans. It will also inform this annual report.

A workshop was held in September 2024, this was co-ordinated by the Head of Devon Assurance Partnership. The outcome of the workshop was presented to the November 2024 meeting of the Audit Committee, the link below:

[Audit Committee Self Assessment CIPFA Guidance 2024-25.pdf](#)

An action plan to address the areas of improvement identified in the self-assessment was presented to the May 2025 audit committee meeting which detailed timescales for delivery.

8.3 Conclusion on Compliance to CIPFA Audit Committee Position Statement 2022

A review has been undertaken against the CIPFA Audit Committee Position Statement. Whilst the Audit Committee generally complies with the CIPFA Position Statement, there are some areas for work for full compliance. The committee will continue with training and development in 2026/27 to ensure compliance with the position statement. The 2026/27 annual report will provide an update on this area.

9. Annual Approvals

Annual Approvals	Frequency
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Approve the annual accounts of the Council and the Annual Governance Statement.	A
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P=Periodically, Q=Quarterly, A=Annually

10. Additional Areas for Committee work: Treasury Management

Treasury Management	Frequency
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Provide an overview role in Treasury Management matters including regular monitoring of treasury activity and practices.	P
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Review and recommend the Non-Treasury Management Investment Strategy, Capital Strategy, MRP Strategy, and any appropriate Prudential Indicators to Council.	P
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Treasury Management Practices (TMPs)

10.1 The TMP is a detailed document setting out how day to day treasury activity is undertaken by the council and is part of the suit of governance documents controlling the Council's Treasury Management activity. It is a requirement of the CIPFA code on treasury management for the council to prepare and maintain TMPs and should be a 'living document' that should be review and updated as necessary.

Treasury Management Strategy 2026/27

10.2 The Audit Committee received the Treasury Management Strategy report that brought the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services Code of Practice Revised 2021 Edition (CIPFA TM Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities: Revised 2021 Edition (CIPFA Prudential Code) together. The Audit Committee reviewed the report and recommended it for formal approval at Cabinet and Full Council.

Outcome of Skills Survey against CIPFA key knowledge areas.

11. Members of the Audit Committee were surveyed during 2024/25 against the CIPFA Audit Committee members knowledge and skills framework. This information was used to help inform knowledge gaps to address through the appointment of independent members and inform future training & development requirements. A number of questions were asked under each knowledge area for members to consider their understanding as 'good knowledge', 'some knowledge' or 'no knowledge'.

Training and Development

12. The current Audit Committee membership has had the following internal training sessions/workshops made available:

- January 2026 – Statement of Accounts training
- February 2026 - Internal Audit Plan and Risk Framework/Management
- March 2026 – Risk Appetite Workshop

In addition to these training sessions/workshops the External Auditors also provide sector updates to ensure the Audit Committee is kept up to date on relevant matters.

12.1 A number of external training sessions/webinars were also made available to the Chair and vice-chair of the committee with other committee members invited to attend.

- September 2025 – Devon Assurance Partnership Conference
- October 2025 – PSAA's consultation on audit fee scale and CIPFA/LASAAC's consultation on the 2026/27 Code of Practice on Local Authority Financial Reporting in the UK
- February 2026 – Grant Thornton Webinar: After the backstop

As part of the Audit Committee self-assessment work, a training plan has been developed and delivery will continue throughout 2026/27 to ensure that the committee members have the required skills and knowledge.

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Audit Committee Work Plan 2026/2027

Date of Meeting	Report Title
27 May 2026	<ul style="list-style-type: none"> • Audit Committee Terms of Reference - to note • Treasury Management Outturn • Annual External Audit Plan (Grant Thornton) • Draft Annual Governance Statement 2025/26 • 2025/26 Counter Fraud and Error Update • Procurement Waivers Report • Performance Update: Collection of Council Tax & Non-Domestic Rates • Audit Committee Workplan
29 July 2026	<ul style="list-style-type: none"> • Annual Audit Report (Internal Audit) • 2025/26 Draft Statement of Accounts • 2025/26 Treasury Management Outturn • Risk Assurance Report - Integrated Adult Social Care Services • Risk Report • Audit Committee Progress Report and Sector Update (Grant Thornton) • Audit Committee Workplan
28 October 2026	<ul style="list-style-type: none"> • 2026/27 Treasury Management Mid-Year Review • Audit Committee Progress Report and Sector Update (Grant Thornton) • Progress against the Recommendations of the Auditor's Annual Report 2024/25 • Whistleblowing Complaints and HR Investigations (report to include a copy of the Whistleblowing Policy and details of the process when a Whistleblowing complaint is received) • Internal Audit Report and Management Action Plan on Counter Fraud (Risk Assessments) • Risk Report • 2026/27 Counter Fraud and Error - 6 monthly Update • Procurement Waivers Report • Performance Update: Collection of Council Tax, Non-Domestic Rates & Corporate Debt

Audit Committee Work Plan 2026/2027

	<ul style="list-style-type: none"> • Audit Committee Workplan
20 January 2027	<ul style="list-style-type: none"> • Internal Audit - Half Year Report including the outcomes of the Follow Up on Areas Requiring Improvement • 2027/28 Treasury Management Strategy • 2025/26 Torbay Council Audit Findings Report (Grant Thornton) • 2025/26 Torbay Council Auditor's Annual Report (Grant Thornton) • 2025/26 Statement of Accounts including Annual Governance Statement • Audit Committee Progress Report and Sector Update (Grant Thornton) • RIPA Update • Council Subsidiaries – Governance & Finances Update • Audit Committee Workplan
24 March 2027	<ul style="list-style-type: none"> • Internal Audit Plan • Internal Audit Charter and Strategy • 2027/28 Counter Fraud and Error Forward Plan • 2027/28 Counter Fraud and Error Workplan, Policy & Strategy • Risk Report • Audit Committee's Annual Report 2025/2026 • Performance Update: Collection of Council Tax, Non-Domestic Rates & Corporate Debt • Audit Committee Workplan