

Meeting: Audit Committee

Date: 18 February 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

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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 third of four risk reports that will be presented to Audit Committee for the financial year 2025/26.
- 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. Risk Overview

- 2.1 The Council currently has eight Strategic Risks and 69 Corporate Risks appearing on its risk registers. A full list is attached as Appendix C.

2.2 The eight Strategic Risks all have **unmitigated** scores of 16 or above. As at the time of drafting this report, two have **mitigated** scores of 16 and above. These scores have remained high since they were put in place.

2.3 42 of the 69 Corporate Risks have **unmitigated** scores of 16 or above. 9 risks have **mitigated** scores of 16 and above.

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 08 December 2025

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	0	3	0	0
4 - Major	0	0	1	1	1
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 08 December

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	2	3	2	1
4 - Major	1	8	12	5	1
3 - Moderate	1	8	17	4	1
2 - Minor	2	1	0	0	0
1 - Insignificant	0	0	0	0	0

Total Risks = 69

Strategic Risks (mitigated 16 or above)

Code	Risk Title	Optimal Risk Position	Tolerable Risk Position	Current Mitigated Score
ST05	Failure to supply sufficient housing for Torbay's needs	12	12-16	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
CP15	Failure to stabilise the budget for the Higher Needs block	10	10-15	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
CP05	Failure to comply with Health and Safety legislation	10	10	16
CP14	Failure to implement the SEND inspection priority actions and improvements	9	9-12	16
CP46	Effective Housing delivery	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 At the time of writing this report, all risks appearing on the Council's Strategic and Corporate Risk Registers have been reviewed (updated) in accordance with the timescales set out in our Risk Management Framework.

4. Changes to our Strategic and Corporate Risk Registers

4.1 Since the last report presented to Audit Committee in October 2025, Directors have approved the adoption of the below new risks onto the Council's corporate risk register.

- New CP89 – Oldway Mansion
- New CP88 – Deprivation of Liberty (Community DoLs) waiting list (under delegated tasks of Section 75 agreement)

4.2 In December 2025 a decision was taken at the Directors Overview Meeting to escalate CP04 Large scale cyber-attack from the corporate risk register to the strategic risk register. This change has been made based on the latest global and national risk reports which highlight cyber risk presenting as one of the top threats. In the current climate, the risk would have a significant impact on the Council and residents living in Torbay if it occurred.

4.3 Since the last report to Audit Committee no risks have been de-escalated off the strategic or corporate risk registers. The below corporate risks have had their details updated to reflect their current risk position.

- CP62 – Deprivation of Liberty (Standard DoLs) waiting list (under delegated tasks of Section 75 agreement)
- CP67 – Non compliance with Council's visual identity standards and web content policy
- CP84 – Failure to adequately maintain Torbay highways
- CP68 – ASC transformation programme fails to deliver financial sustainability

5. SWISCo Risk Registers

5.1 As part of the Audit Committee induction session, it was agreed by the Director of Finance that Members would be updated on the risk position of our wholly owned companies once a year. This report includes an update on SWISCo's risk position.

5.2 Since the last update to Audit Committee, a year ago, SWISCo have continued to embed a positive risk management culture into their daily working practices. They are mirroring the Council's processes and using SPAR.net to record their information. The Managing Director uses the live system to discuss SWISCo's risks at the following regular meetings: Board of Directors, Shareholder Panel and Senior Management Team Meetings.

5.3 In 2022/23 Devon Assurance Partnership's audit plan included SWISCo's Performance and Risk Management arrangements. The outcome of that audit included a series of recommendations. Throughout 2023 and 2024 the company addressed these areas with the support of the Council's Performance and Risk Manager and Devon Assurance Partnership. A follow up audit took place during

February 2025 where the final report confirmed that DAP were 'reasonably assured' and that good progress has been made.

5.4 Attached as Appendix D is a full list of SWISCo's risks appearing on their strategic and corporate risk registers. They currently have: 2 strategic risks, 18 corporate risks and 51 service risks.

5.5 The 2 strategic risks both have **unmitigated** scores of 16 or above. At the time of writing this report, none have a **mitigated** score of 16 and above.

5.6 8 of the 18 corporate risks have **unmitigated** scores of 16 or above. No risks have **mitigated** scores of 16 and above.

5.7 Below are the risk matrixes for SWISCo's strategic and corporate risk registers. They show the number of risks that appear for each score.

SWISCo Risk Matrix - Mitigated Strategic Risks as at 08 December 2025

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

Total Risks = 2

SWISCo Risk Matrix - Mitigated Corporate Risks as at 08 December 2025

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

Total Risks = 18

5.8 Following the unfortunate liquidation of Torbay Coast and Countryside Trust in December 2025, SWISCo are now supporting the management of the land and the Council in the conservation initiatives that will be developed. At the writing of this report, this has not resulted in a need to establish any new risks on SWISCo's registers. As these services are now to be permanently delivered by SWISCo, the related risks need to be updated.

6.0 Risks With Mitigated Scores Of 16 and Above For The Last 6 Months

5.1 In December 2025, Directors were presented a report that focused on the organisation's strategic and corporate risks that had mitigated scores of 16 and above which have not changed in the last 6 months. These are:

- ST05 - Failure to supply sufficient housing for Torbay's needs
- ST09 - Failure to adapt to a changing climate
- CP05 – Failure to comply with Health and Safety and Fire legislation (out of tolerance)
- CP14 – Failure to implement the SEND inspection priority actions and improvements (out of tolerance)
- CP17 - Placement sufficiency (out of tolerance)

- CP15 - Failure to stabilise the budget for the Higher Needs block (out of tolerance)
- CP46 – Effective housing delivery (out of tolerance)
- CP59 - Risk of Fraud and Error causing financial loss or reputational damage to the council (out of tolerance)
- CP73 - Failure to adequately undertake proactive improvement works to cliffs and coastal defences

5.2 DOM collectively discussed each of the risks to assure themselves that actions are in the pipeline that will positively impact these.

6.0 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

Appendix D: SWISCo's Strategic and Corporate Risk Registers

Background Documents

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