

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

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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 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