

Minutes of the Audit Committee

25 March 2026

-: Present :-

Councillor Penny (Chair)

Councillors Fellows and Long
Independent Person Mr Kristian Hawkes

47. Apologies

Apologies for absence were received from Councillors Brook and Maddison.

48. Minutes

The Minutes of the meeting of the Audit Committee held on 18 February 2026 were confirmed as a correct record and signed by the Chair.

49. Declarations of interests

No declarations of interest were made.

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

The Committee noted the Internal Audit Charter, which set out the purpose, authority and responsibilities of the Internal Audit function delivered by the Devon Assurance Partnership. Members were advised that the Charter confirmed compliance with the Global Internal Audit Standards and outlined requirements for independence, objectivity, reporting arrangements, quality assurance and continuous improvement.

51. Internal Audit Plan 2026-27

Members noted the Internal Audit Plan for 2026–27. The Deputy Head of Devon Assurance Partnership (DAP) informed Members that the Plan had been developed using a risk-based and agile approach to reflect changing organisational and sector risks with input from both the Council's Senior Leadership Team and members of the Audit Committee. The Plan provided for coverage across strategic risk areas, key financial systems, ICT/cyber security, adult and children's services, regeneration activity and governance processes.

Members noted that a reserve list of potential audit areas had been developed to cover topics that could not be accommodated within the commissioned audit days for 2026–27. The Committee was informed that this list had been created following a structured prioritisation exercise to ensure that the highest-risk audits were included

within the main programme. It was acknowledged that, while the reserve list provided flexibility should circumstances change during the year, only a small number of items were likely to be brought forward.

Members welcomed the inclusion of additional background information that demonstrated the careful consideration that had been given to the planning process. It was recognised that the improved transparency provided assurance that the plan had been developed using a risk-based methodology rather than simply balancing available resources. The Committee noted that recording the reasons for exclusion from the plan, particularly where the wording referred to balancing commissioned days, should also be framed in the context of risk prioritisation.

Members queried the level of cyber security coverage, the Deputy Head of DAP confirmed that this area was fully incorporated within the plan. Informing Members that the Council had both an IT audit specialist and an IT Manager who had undertaken extensive work to review and strengthen the ICT risk framework. This provided confidence that the audit programme would continue to focus on the most significant cyber-related risks and emerging threats.

52. Risk Management Update

The Committee noted the report which provided an update on the Council's strategic and corporate risk position. It was reported that the Council held eight strategic risks and sixty-eight corporate risks, with four strategic and ten corporate risks scoring 16 or above. Members were advised of changes in risk trajectory over the previous 12 months, the addition and archiving of risks, and several risks currently out of tolerance. The Committee further noted that risk appetite training had been delivered and would be embedded into future reporting.

Members raised the following points in relation to specific strategic and corporate risks:

- ST05 – Failure to Supply Sufficient Housing for Torbay's Needs – Members queried the reference within the risk description indicating that the risk was “not fit for purpose” and asked whether this reflected the complexity of the issue. The Performance and Risk Management advised that, ideally, risks should reflect matters within the control of the risk owner. Therefore, officers intended to review and refine the risk to ensure it continued to accurately reflect both its scope and ownership.
- CP73 – Failure to Undertake Proactive Improvement Works to Cliffs and Coastal Defences – Members sought clarification as to what the increased risk score meant in practical terms and whether it served primarily to highlight concerns for senior management. Officers explained that the impact of the increased score related to the uncertainty of winter conditions, the potential extent of damage, and the limited budget available to respond. It was noted that although the current budget broadly met existing needs, climate-related deterioration and rising sea levels were generating additional pressures. The Committee was advised that Senior Officers had confirmed that no additional funding was currently available, and therefore the risk was being held at a high but tolerable level unless new information required reassessment. This risk

was an example of a risk that, while rated high, remained within agreed tolerance.

- ST10 – Failure of the NHS Foundation Trust to Deliver Adult Social Care Statutory Duties – Members queried whether the existence of the risk had been beneficial, unhelpful, or had no material impact. The Performance and Risk Manager confirmed that the risk had provided significant benefit, as its strategic nature and link to associated corporate risks had ensured sustained oversight. The Committee was informed that the risk had been monitored closely since 2022, resulting in frequent review and accurate reflection of both operational and strategic challenges.

53. Counter Fraud and Error Work Plan 2026 to 2027

Members noted the report on the Counter Fraud and National Fraud Initiative (NFI) Work Plan for 2026–27, which outlined activity to prevent, detect and respond to fraud. It was reported that the Plan aligned with the Council's Counter Fraud Policy and Strategy and the national “Fighting Fraud Locally” framework. Members noted the emphasis on risk assessments, data matching, strengthened governance, proactive investigations, and compliance with the Economic Crime and Corporate Transparency Act 2023.

Members requested that the 6 monthly update provide the numbers of reported errors and fraud, including trends over the last three years. Furthermore, Members sought clarification regarding staff training and were advised that staff training was a continuous process, all new staff were trained at induction and e-learning modules were used for refresher training.

54. Performance Update: Collection of Council Tax and Non-Domestic Rates

The Committee noted an update on performance in relation to the collection of Council Tax and Non-Domestic Rates. It was reported that processing performance had remained stable, with 86% of liability changes completed within six weeks. Members noted that outstanding processes had stabilised, though collection rates were slightly behind the previous year due to operational change and delayed automation projects. The number of residents receiving Council Tax Support continued to reduce, though overall costs increased in line with tax levels.

Members sought further clarification on several aspects of service performance and ongoing transformation activity and sought the reason for the continued reduction in the number of residents receiving Council Tax Support. The Strategic Head – Revenue and Benefits advised Members that this trend reflected an overall increase in household income levels compared with previous years, which in turn had reduced eligibility for Council Tax Reduction. Members noted the explanation and the wider economic context influencing entitlement levels.

Members sought further detail on the transformation programme within the Revenues and Benefits Service and whether there were opportunities for customers to speak directly with advisers. Members were advised that several initiatives had already been implemented, including the transfer of Council Tax related calls from the corporate Contact Centre back into the specialist Council Tax team. This change had

enabled more cases to be resolved at first contact, as experienced Council Tax officers were better equipped to understand liability issues and apply changes correctly. The Committee was advised that this approach was designed not to reduce the cost of transactions but to reduce the *number* of transactions altogether by resolving matters promptly and accurately at the outset. The Strategic Head – Revenue and Benefits further explained that the next stage of the transformation programme would focus on automation, enabling greater efficiency and freeing up capacity for more complex casework. In response to a request for comparative data, officers confirmed that the service used KPIs set nationally by the Ministry of Housing, Communities and Local Government (MHCLG), allowing for benchmarking with other local authorities.

Members sought clarification on what operational issues had arisen due to the delay in implementing the Integrated Workflow System. Members were advised that the delay had in turn postponed other planned developments. It was explained that the long-term aim was to create a 24/7 service model in which customers could communicate with the Council at any time, with automated processes managing the majority of transactions behind the scenes. The delay was attributed to resource constraints, but officers remained hopeful that implementation would proceed during Quarter 1 or Quarter 2.

55. Torbay Council Audit Committee Annual Report 2025/26

The Committee reviewed its Annual Report for 2025–26, which summarised how it had discharged its governance, risk, internal control and financial reporting responsibilities. It was reported that the Annual Report had been prepared in accordance with CIPFA's 2022 Position Statement. Members noted key areas of activity, including oversight of Internal and External Audit, risk management, counter fraud arrangements and the Annual Governance Statement.

Resolved:

That the Torbay Council Audit Committee Annual Report 2025/26 be approved for submission to Council.

56. Audit Committee Work Programme 2026/2027

The Audit Committee Work Programme for 2026/2027 was noted.

Chair