Progress against the Recommendations of the Auditor's Annual Report 2024/25

This report provides an update on progress against the recommendations set out in the Auditor's Annual Report 2024/25. The Auditor's Annual Report (AAR), issued by Grant Thornton, was presented to the Committee at its meeting on 18 February 2026.

At that meeting, it was agreed that a further report would be brought back to the Committee providing an update on the implementation of the two key recommendations and four improvement recommendations contained within the AAR.

The table below summarises the original management actions presented alongside the AAR in February 2026 and provides a progress update as at August 2026.

Summary of Value for Money recommendations raised in 2024/25

Key recommendations raised in 2024/25	Management Actions (updated)	Progress Update – August 2026
The Council must ensure there is sufficient capacity and capability to ensure that financial reports including the statement of accounts, are prepared adequately with sufficient quality assurance for review.	Actions: We have built capacity within the Corporate Finance team however, due to unforeseen absenteeism, we have not completed the Accounts as effectively as we would have liked. We will continue to use specialist agency staff to address specific knowledge / skills gaps until such time as we are fully resourced within the team. Responsible Officer: Head of Corporate Finance.	We continue to rely on specialist agency staff to provide additional capacity and technical expertise in key areas of financial reporting and statement of accounts preparation. This support has strengthened the team's resilience and has contributed to the successful delivery of the 2025/26 draft Statement of Accounts by the statutory deadline. While this represents a significant improvement, the Council recognises the need to reduce its reliance on temporary resources. During the remainder of 2026/27, a knowledge and skills transfer will be implemented to ensure that specialist expertise is embedded within the permanent team. This will include

		targeted training, documented procedures and the transfer of technical responsibilities.
We recommend the Council provides the Children and Young People's Overview and Scrutiny Sub-Board and Cabinet with an update to the progress made by the Council, and key partners, in driving forward required improvements in SEND. A regular cycle of member updates should also be agreed to ensure appropriate member oversight in place to support meaningful and sustainable SEND service improvement.	Actions: Whereas we accept this recommendation, the Council is well aware of the issue and we are already delivering the improvements, and member engagement, as required Responsible Officer: Director of Children's Services	Our original management response still stands.
Improvement recommendations raised in 2024/25		
We recommend the Council places a significant organisational focus on the continued development and implementation of interventions that will support the management and mitigation of the DSG budget deficits. This should include progressing the planned locality model as part of the children's social care financial sustainability plan, and wider interventions, agreed as part of the safety valve programme.	Actions: We have been closely monitoring and reporting on the status of our safety valve programme throughout its duration. Despite early success, similar to the vast majority of Councils across the Country, recent targets have been challenging. We have subsequently adapted our plan, incorporating further strategic interventions, and have reported these regularly through Directors and Senior Politicians. We therefore feel that this recommendation has already been addressed.	The Government are under-writing 90% of accumulated DSG deficits and have issued revised guidance with regards to access this funding. The Council has submitted the required plan to address on-going deficits which is awaiting government approval. We have also made financial provision for the remaining 10% of accumulated DSG deficit.

	Responsible Officer: Director of Children's Services	
We recommend the Council identifies specific savings plans and targets as part of its annual budget setting process to ensure the proactive and transparent management of MTFS budget gaps.	Actions: We do not accept this recommendation. We have taken a deliberate strategic decision not to set savings targets against individual Sustainability Plans, instead compiling a programme of strategic plans aimed at driving out organisational efficiencies to deliver the totality of the sums required to address the gaps as detailed in our MTFP. This decision has resulted in positive culture change whereby Senior Officers and Members 'own' the Corporate Sustainability Plan programme. Only when we can demonstrate a reduction in spend in a specific area, (as a result of actions delivered through sustainability plans), will we subsequently adjust budgets.	Our original management response still stands. That said, with the financial challenges that the Council is now facing, with an accumulated drop in Government funding of £12m across 2027/28 and 2028/29, we are considering setting tangible financial savings targets, linked to clear action plans, in preparing the 2027/28 revenue budget.
We recommend the Council undertakes specific scenario planning in respect of its adult social care funding arrangements defined under the current Section 75 Agreement, updates Members with regards to outputs, and incorporates these as part of the Council's medium-term financial planning.	Actions: As mentioned during the VFM review, it is impossible for the Council to conduct any meaningful scenario planning in this area until we are able to establish a robust and accurate baseline of the financial liability apportionment between Torbay Council and Health with regards to the current caseload. We have commissioned some independent work to help inform our initial assessment of liability and we are beginning to work through the existing (2,700) caseload to get a clearer view as to	The original management response still stands. The Integrated Care Organisation has provided 12 months' notice on the provision of Adult Social Care Services, (having previously delivered this service for circa 12 years), which means that Torbay Council will take on management responsibility for the provision of ASC from April 2027.

	what level of cost over-run relates to statutory Adult Social Care Services. Scenario planning can only occur after this initial piece of work has been completed. Responsible Officer: Director of Adults and Communities	We are systematically reviewing all 2,700 existing recipients of care services in Torbay to determine the extent of Health related services compared to statutory social care services. This exercise has to be completed in advance of any future scenario modelling.
We recommend the Council reports, at least annually, details relating to procurement waivers, to those charged with governance.	Actions: Agreed. We will formally report procurement waivers on an annual basis. Responsible Officer: Head of Commercial Services	This recommendation has been implemented, and the waivers report was presented to the Audit Committee in May 2026. The Council will continue to report procurement waivers to audit committee at least annually and will enhance future reporting to reflect the feedback received from members.