TORBAY COUNCIL

Meeting: Audit Committee **Date:** 1 September 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

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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 first of three risk reports that will be presented to Audit Committee for financial year 2026/27.

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 (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. In respect of Audit Committee, the Policy says:

"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. Discussing relevant risks included on the registers in their one-to-one meetings with Directors and, with their Directors, ensure that action is taken as required.

2. Risk Overview

2.1 The Council currently has eight Strategic Risks and 70 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, three have ***mitigated*** scores of 16 and above, one, ST05 has remained high since it was put in place.

2.3 44 of the 70 Corporate Risks have ***unmitigated*** scores of 16 or above. 12 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 07 August 2026

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	0	2	1	2
4 - Major	0	0	0	0	0
3 - Moderate	1	0	0	2	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 07 August 2026

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	0	7	3	2
4 - Major	0	5	13	5	2
3 - Moderate	1	8	17	3	1
2 - Minor	1	2	0	0	0
1 - Insignificant	0	0	0	0	0

Total Risks = 70

Strategic Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
ST04	Failure to set a robust budget and Medium-Term Resource Plan	25
ST05	Failure to supply sufficient housing for Torbay's needs	25
ST10	Failure of Torbay and South Devon NHS Foundation Trust to deliver Adult Social Care Statutory duties	20

Corporate Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
CP17	Placement sufficiency	25
CP59	Risk of Fraud and Error causing financial loss or reputational damage to the council	25
CP05	Failure to comply with Health and Safety legislation	20
CP15	Failure to stabilise the budget for the Higher Needs block	20
CP46	Effective Housing delivery	20
CP64	Failure to deliver the financial sustainability plans	20
CP86	Risk of increasing numbers of Elective Home Educated young people	20
CP06	Failure for our wholly owned companies to comply with Health and Safety, fire, environmental legislation	16
CP14	Failure to implement the SEND inspection priority actions and improvements	16
CP68	ASC Transformation Programme fails to deliver financial sustainability	16
CP73	Failure to adequately undertake proactive improvement works to cliffs and coastal defences	16
CP92	Failure to detect and prevent Identity Fraud	16

3. Risk Reviews

3.1 At the time of writing this report, all risks, apart from two, 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 March 2026, Directors have approved the adoption of the below new risks onto the Council's corporate risk register.

- CP92 - Failure to detect and prevent identity fraud
- CP93 - Adult social care transfer of the services back to the Council

5.0 Service Risks

5.1 In July 2026, Directors were presented a report that included an update on the organisation's service risk position. At the time of this report being written, the Council has 307 risks on its service risk register of which 25 have scores of 16 and above.

5.2 In addition to the usual process of Directors discussing these risks as part of their regular management meetings, the Performance and Risk Manager collated a response from the Accountable Officers which detailed the additional actions that are being taken to address each. This information was shared back at the Directors of Managers (DOM) meeting as part of the latest risk report discussed in August.

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