

Meeting: Audit Committee

Date: 29 October 2025

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 second of four risk reports that will be presented to Audit Committee for 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 (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 seven Strategic Risks and 68 Corporate Risks appearing on its risk registers. A full list is attached as Appendix C.

- 2.2 The seven 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 68 Corporate Risks have **unmitigated** scores of 16 or above. 10 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 29 September 2025

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	0	2	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 = 7

Risk Matrix - Mitigated Corporate Risks as at 29 September 2025

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	2	4	3	1
4 - Major	1	9	14	6	0
3 - Moderate	1	6	14	3	2
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	Last Mitigated Score
ST05	Failure to supply sufficient housing for Torbay's needs	20
ST09	Failure to adapt to a changing climate	16

Corporate Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
CP17	Placement sufficiency	25
CP14	Failure to implement the SEND inspection priority actions and improvements	20
CP15	Failure to stabilise the budget for the Higher Needs block	20
CP59	Risk of Fraud and Error causing financial loss or reputational damage to the council	20
CP05	Failure to comply with Health and Safety legislation	16
CP06	Failure for our wholly owned companies to comply with Health and Safety, fire, environmental legislation	16
CP46	Effective Housing delivery	16
CP47	Effective delivery of Economic Growth Strategy	16
CP73	Failure to adequately undertake proactive improvement works to cliffs and coastal defences	16
CP86	Failure to have effective support and controls in place to support increased Elected Home Education	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 May 2025, Directors have approved the adoption of the below new risks onto the Council's corporate risk register.
- CP85 - Potential loss of Community Equipment Service
 - CP86 - Failure to have effective support & controls in place to support increased Elected Home Education
 - CP87 - Failure to have safe implementation of Liquid Logic for Adult Social Care
- 4.2 In addition to the above, Directors have also approved the removal of the below risks.
- CP38 – Health and wellbeing of staff
 - CP63 – Potential loss of data through cyber breach (Adult Social Care)
- 4.3 Since the last report to Audit Committee only one corporate risk has been de-escalated off the corporate risk register onto a service risk register. This risk was:
- CP16 Quality of performance and data

5.0 Service Risks

- 5.1 In August 2025, Directors were presented a report that focused on the organisation's service risk position. The Council currently has 306 risks on its service risk register of which 21 have scores of 16 and above.
- 5.2 Directors agreed to look at these risks as part of their management meetings and identify further mitigations that can be taken to address them or if they need escalation onto the Corporate risk register.

6.0 Update On Risk Appetite & Optimal and Tolerable Risk Scores

- 6.1 As part of the risk report presented to Audit Committee in February 2025 (sections 4.3 and 4.4), members were made aware that Directors have been working to develop the Council's risk appetite statements as well as the tolerable and optimal scores for the risks held on the Strategic and Corporate Risk Register. Directors used the risk trajectory data to collectively set scores and identified how they would want to respond to risks for each category going forward. These have subsequently been discussed with members of the Cabinet and are attached as Appendix D
- 6.2 In order to take this piece forward, Directors have since set optimal and tolerable risk scores for each of their strategic and corporate risks. The optimal risk score is

where the Council would aspire to get the risk to. The tolerable risk range are the scores where the Council is accepting of carrying or taking that level of risk.

- 6.3 The next steps are to embed the newly adopted risk appetite statements into the Council's decision making framework. The risk appetite statements will provide the framework to enable Members and Officers to make informed decisions. Risk reports will include information that show if risks are out of tolerance so Directors and Members can ensure appropriate action is taken to respond accordingly.

7.0 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: Risk appetite statements by category

Background Documents

Report clearance:	This report has been reviewed and approved by:	Date:
Chief Executive	Anne-Marie Bond	
Monitoring Officer	Amanda Barlow	10 Oct 2025
Director Of Finance Officer	Malcolm Coe	10 Oct 2025
Director Of Corporate Services	Matthew Fairclough-Kay	10 Oct 2025