

Monday, 17 February 2025

AUDIT COMMITTEE

A meeting of **Audit Committee** will be held on

Tuesday, 25 February 2025

commencing at **1.00 pm**

The meeting will be held in the Banking Hall, Castle Circus entrance on the left corner of the Town Hall, Castle Circus, Torquay, TQ1 3DR

Members of the Committee

Councillor Brook (Chairman)

Councillor Fellows (Vice-Chair)

Councillor Maddison

Councillor Hutchings

Councillor Penny

Councillor Long

Hawkes

A Healthy, Happy and Prosperous Torbay

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Governance Support, Town Hall, Castle Circus, Torquay, TQ1 3DR

Email: governance.support@torbay.gov.uk - www.torbay.gov.uk

AUDIT COMMITTEE AGENDA

1. **Apologies**
To receive any apologies for absence, including notifications of any changes to the membership of the Committee.
2. **Minutes** (Pages 5 - 10)
To confirm as a correct record the Minutes of the meeting of the Audit Committee held on 27 November 2024.
3. **Declarations of interests**
 - (a) To receive declarations of non pecuniary interests in respect of items on this agenda
For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
 - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda
For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(**Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
4. **Urgent Items**
To consider any other items that the Chairman decides are urgent.
5. **2023/24 Torbay Council Audit Findings Report (Grant Thornton)** (To Follow)
To consider a report on the above.
6. **2023/24 Statement of Accounts including Annual Governance Statement** (To Follow)
To consider a report that seeks approval of the 2023/24 Statement of Accounts including Annual Governance Statement.
7. **Interim Auditor's Annual Report for the Year Ended 31 March 2024** (Pages 11 - 50)
To consider a report that brings together a summary of the work the Council's External Auditors have undertaken for Torbay Council

during 2023/24.

- 8. Interim Progress Report 2024-25** (Pages 51 - 72)
To consider a report that provides a summary of the performance against the Internal Audit Plan for the 2024/25 financial year to date.
- 9. 2025/2026 Treasury Management Strategy** (To Follow)
To recommend to Council the approval of the 2025/2026 Treasury Management Strategy.
- 10. LGA Corporate Peer Challenge - Progress Update** (Pages 73 - 86)
To note a report that updates members on the progress made on implementing the Local Government Association (LGA) Corporate Peer Challenge Action Plan, which was approved by Cabinet in July 2024.
- 11. Counter Fraud and Error Update** (Pages 87 - 96)
To note a report that provides an update on counter fraud activity undertaken for the period of 1 April 2024 to 30 September 2024, including progress against the 2024/2025 Counter Fraud Plan.
- 12. Risk Management Update** (Pages 97 - 134)
To note a report that provides an update on the Council's current risk position and notable information with regards to the Council's overall risk management arrangements.
- 13. HR Investigations and Whistleblowing** (Pages 135 - 140)
To note the report on the above.
- 14. Work Programme** (Pages 141 - 142)
To note the work programme for the Audit Committee.

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Minutes of the Audit Committee

27 November 2024

-: Present :-

Councillor Brook (Chairman)

Councillors Fellows (Vice-Chair), Hutchings, Long and Penny

17. Apologies

An apology for absence was received from Councillor Maddison.

18. Minutes

The Minutes of the meeting of the Audit Committee held on 24 July 2024 were confirmed as a correct record and signed by the Chairman.

19. Declarations of interests

No interests were declared.

20. LGA Corporate Peer Challenge - Progress Update

Members noted a report that set out the progress made on implementing the Local Government Association (LGA) Corporate Peer Challenge Action Plan, which was approved by Cabinet in July 2024. At the Cabinet meeting, it was agreed that, in order for members to maintain ownership and oversight, the implementation of the action plan should be monitored and reviewed by the Audit Committee.

Members were advised that whilst it was the first time that the Audit Committee had the opportunity to view the progress that had been made, Directors had collectively been working on delivering the Action Plan and reviewing progress on a monthly basis.

Members sought feedback on the realignment of the TDA services and approach to transformation. In response, Members were advised that TDA staff that were in HR, finance and communications have been integrated into the corresponding Council departments with the remaining services transferring as they were. The Council redesign programme was still being implemented, the target operating model has a clear set of objectives and principles, which are used to design service reviews in order to transit from where we are to where we want to be. The programme was experiencing challenges, these challenges were being dealt as a whole organisation to ensure that decisions were not being made in isolation.

Members noted that a number of actions were on hold pending the conclusion of the facilitated sessions being held with Members.

21. 2022/23 Torbay Council Audit Findings Report and Progress Report (Grant Thornton)

Member noted a report that set out Grant Thornton's opinion on the Council's Statement of Accounts for 2022/23. Liam Royle Audit Manager for Grant Thornton informed Members that on 5 September 2024 the government published the draft Accounts and Audit (Amendment) Regulations 2024. These Regulations, which were approved on 30 September 2024, set a publication date for financial statements up to and including 2022/23 of 13 December 2024. The new National Audit Office Code, which was approved on 14 November 2024, also required that auditors should issue their audit report in time for the relevant authority to publish its accounts by the specified date in those Regulations. Where audit work was not concluded, this would result in either a qualification or disclaimer of opinion. As discussed with the Director of Finance, and for reasons set out in more detail below, it was not possible for Grant Thornton to complete the audits for 2022/23 by the statutory backstop date. Therefore, it was proposed a disclaimer of Grant Thornton's audit opinion would be issued.

Members were advised that the main reason for the application of the backstop was that the completion of the 2021/22 audit was delayed and only signed on 2 September 2024. Grant Thornton had agreed with the Council that the audit of the financial statements for the year ended 31 March 2023 would not commence until the previous audit was concluded. This meant there was no realistic prospect of the audit of the Council's financial statements for 2022/23 being completed in advance of the December 2024 backstop deadline. In addition, as noted in Grant Thornton's Audit Report, management had also alerted Grant Thornton to various misstatements in the draft Statement of Accounts, which were likely to be material individually and/or collectively. Management was unable to identify the full extent of these misstatements and quantify their impact prior to the backstop date. The effects of those errors, identified or unidentified, could also therefore be both material and pervasive. As a result, the limitations of scope imposed by the backstop are pervasive and therefore Grant Thornton had been unable to form an opinion on the financial statements by the due date. Therefore, a disclaimer of the audit opinion would be issued.

Members were provided with an update on the audit of the 2023/24 accounts with the government directing that auditors should work with local authorities to begin the process of recovery, it was agreed that Grant Thornton would commence work on the financial statement audit for 2023/24 at the earliest opportunity. The audit commenced in September 2024, following receipt of the Council's draft accounts on 2 August 2024, 9 weeks after the required publication deadline. To date there had been challenges which had hindered the progress of the audit. Timely and comprehensive supporting working papers had been requested and not been fully responded to by the time the audit began. Over the initial weeks of the audit there were a significant number of audit queries with some remaining outstanding for more than two weeks. Furthermore, initial work by Grant Thornton had identified a number of reconciliation differences between the Council's accounting records, the final accounts trial balance

and the draft financial statements affecting both the 2023/24 reported results and also the opening balances relating to the 2022/23 comparative period.

Members were advised that in order to address these issues, the Council had brought in additional resource with a new version of the draft statements having been produced with the intention of completing the audit ahead of the 28 February 2025 backstop date, allowing the Council to return to a regular audit cycle.

22. 2022/23 Statement of Accounts including Annual Governance Statement

The Head of Corporate Finance informed Members that the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (amendment) Regulations 2022 stated that draft 2022/23 Statement of Accounts were to be issued by 30 June 2023 and the Audit Committee were required to approve the accounts by 13 December 2024 in line with the backstop legislation that was recently passed. The draft statement of accounts were published in July 2023.

Due to the ongoing audit of the Council's 2021/22 accounts, which were approved by audit committee in July 2024, the decision was taken to use the 'backstop' for the 2022/23 Statement of Accounts. Using the backstop meant that a full audit of the 2022/23 accounts was not undertaken and a 'disclaimer opinion' was issued by Grant Thornton as set out in Minute 21 above.

The Accounts and Audit Regulations issued by the Secretary of State set out the requirements for the preparation and publication of final accounts. These regulations include the requirement for the formal approval, by a full Committee, of the Authority's Statement of Accounts.

The Statement of Accounts had been prepared in accordance with the current Code of Practice on Local Authority Accounting in Great Britain. The Statement was required to present a true and fair view of the financial position as at 31 March 2023 and the income and expenditure for the financial year 2022/23.

Resolved:

That:

- i) the 2022/23 Statement of Accounts and the Annual Governance Statement be approved; and
- ii) the letter of representation be approved.

23. 2024/25 Treasury Management Mid-Year Review

Members noted a report that reviewed Treasury Management activities during the first part of 2024/25. Members were informed that the treasury function aims to support the provision of all Council services through management of the Council's cash flow and debt and investment operations.

The key points in the Treasury Management review were as follows:

- Bank rate was cut from 5.00% to 4.75% in November with further cuts forecast.
- Gilt yields and therefore Public Works Loan Board rates were over 1% higher than those at the start of the year.
- No new borrowing had been undertaken and internal resources had been used to fund capital expenditure.
- Further strategic investments in long term bonds to provide budgetary surety over the medium term
- All decisions had complied fully with adopted principles and the Council's approved Treasury Management Strategy.

Members noted the investments and whether 'ethical' products e.g. approach to climate change were available. The Director of Finance informed Members that the Council worked with Arlingclose to source the investments, however, the Treasury Management Strategy set out very strict criteria for those the Council invests with in order to mitigate risk. Therefore the number of products were limited whilst the criteria could be opened it would be with heightened exposure to risk.

24. Review of Section 106 and CiL Audit Report

Members noted a report that provided an update on the progress towards addressing the risks outlined in the Internal Audit Report on Section 106 and Community Infrastructure Levy and to give a general understanding of what changes had been made as a result. The Divisional Director for Housing, Planning and Climate Emergency informed Members that in June 2024 an audit report was issued for Section 106 and Community infrastructure Levy monies collected by the Council as mitigation for the harm caused by development. The audit looked at process, risks and performance management issues.

The internal audit report had made a number of recommendations, and these had been largely addressed, mainly through the implementation of the new Exacom System, a new role and joint working with other departments. A follow-up audit was conducted in October 2024, the outcome of which will be reported to the Audit Committee in January 2025.

25. Audit Committee Self Assessment (CIPFA Guidance) 2024-25

The Head of Devon Assurance Partnership informed Members that following their participation in the Audit Committee self-assessment exercise, it was pleasing to note that Members felt that for the majority of principles only minor work was required, but the assessment did highlight a few areas for the Audit Committee to address. These related to changes to the Terms of Reference, production of an annual report, development of a training programme, undertaking regular training needs assessments, development of performance and feedback measures, and establishing an improvement plan.

Resolved:

That the Head of Corporate Finance in consultation with the Senior Democratic and Scrutiny Officer develop an action plan for consideration at the Audit Committee in January 2025.

26. Public Sector Audit Appointments (PSAA) Framework for External Audit

Members noted a report that set out the review of the Public Sector Audit Appointments (PSAA) Framework for External Audit and the future options available to the Council on the delivery of the annual audits.

The Head of Corporate Finance advised Members that at the meeting of Overview and Scrutiny Board on 7 August 2024, the 2024/25 Q1 Budget Monitoring included an update on the audit of the Council's statement of accounts. The Director of Finance provided an update on the national issues regarding the backlog of external audit and the strain on the sector. In addition, a discussion was held with respect to the audit fees applicable and how the fee for the audits were set. Subsequently, the Overview and Scrutiny Board requested the Audit Committee to review the Public Sector Audit Appointments (PSAA) Framework for External Audit and explore future options and report back to the Overview and Scrutiny Board.

Members were informed that as the Council has 'opted in' to the national scheme for appointing auditors for the period covering 1 April 2023 to 31 March 2028, there are no options to 'change' the auditors who undertake the main audit of the Statement of Accounts before the 31 March 2028. The Council would continue to feed into the annual consultation regarding the scale fee.

There was an option to review the other areas which require an annual audit but which are not included in the national scheme to seek value for money. The Council recently tested the market in respect of the audit of the Teachers Pension Fund and appointed a different body to undertake the audit. This resulted in a saving for the Council and the audit was undertaken in line with plan and delivered efficiently. The Council would undertake the same exercise on the 2025/26 audit in respect of the Certification of Housing Benefit Subsidy to understand if there were alternatives to the current provider whilst ensuring that the required outcomes were delivered and value for money considered.

27. Work Plan 2024/2025

Members considered the work plan and requested the Head of Corporate Finance to review the items for the Audit Committee in January as well as the programmed items for the next 12 months.

Chairman/woman

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Torbay Council

Interim Auditor's Annual Report for the
year ended 31 March 2024

January 2025

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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



Page 12

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction



Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for Torbay Council (the Council) during 2023/24 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements.

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Responsibilities of the appointed auditor

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Value for money

We report our judgements on whether the Council has proper arrangements in place regarding arrangements under the three specified criteria:

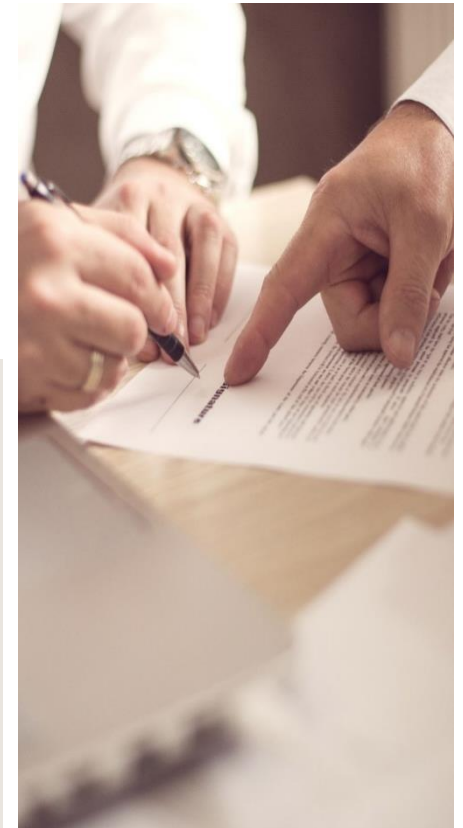
- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

The Value for Money auditor responsibilities are set out in Appendix B.

Auditor powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 10 with a commentary on whether any of these powers have been used during this audit period.



Executive summary



Executive summary

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO has consulted and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditors Annual Report ("the Report") with those charged with governance by a nationally set deadline each year (30 November) and for the audited body to publish the Report thereafter. This new requirements will be introduced from November 2025. As a firm, we are committed to reporting the results of our local audit work on as timely a basis as possible. Our summary findings are set out below. Our recommendations and management responses are summarised in the section starting on page 29.



Financial sustainability

The Council delivered a surplus of £0.678 million against the budget in 2023/24, of which £0.4 million was transferred to capital reserves with the remaining £0.278 million transferred into the comprehensive spending review reserve. The Council's working balance reserve position continues to be low in comparison to the target balance, however, the Council have an earmarked reserve to provide further cushioning. The Council has good arrangements in place with respect to budget management and demonstrated strong financial control in recent years as shown by regular underspends against budget. The Council has been able to set out clear plans for a balanced budget over the next three years as set out in the medium term resource plan which is positive against a challenging financial environment across the sector. The plan has been based on the use of new sustainability plans which update planning through changes to forecasted demand and savings estimated to be delivered and will need to be closely monitored. There are risks associated with the DSG deficit surrounding the demand-led pressure on the High Needs Block and the expiry of the statutory override. Overall, we have found no areas of significant weakness in the Council's arrangements to secure financial sustainability. We have identified areas where the Council could improve arrangements and, as such, have raised a number of improvement recommendations which have been accepted by Management.



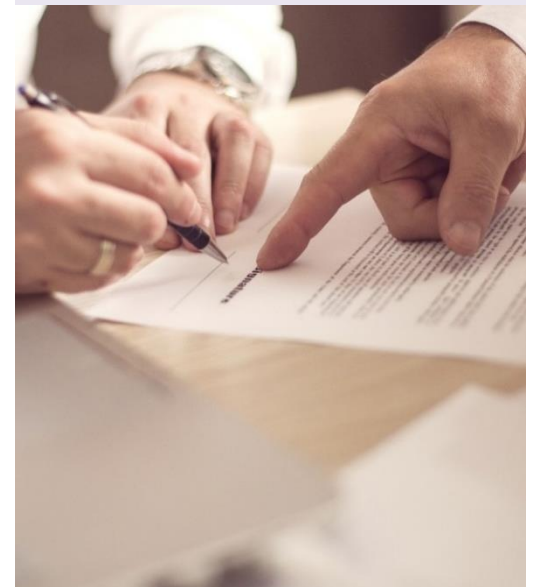
Governance

The Council has effective governance arrangements in place as highlighted in the LGA peer review undertaken during 2023/24. There are been areas highlighted for improvement as identified by external bodies such as the Local Government Association. We observed the action log and planned activities in delivering these improvements, recent reporting identified progress in completed actions and clear deadlines for the remainder ongoing. Changes in the Council's group structure for its subsidiaries have highlighted unforeseen challenges and the changes in the Council's membership have impacted its length of time to make decisions.

We identified a specific significant weakness and raised a key recommendation around the Council's finance teams capacity and capability in particular respect in preparing statutory financial reporting and responding to audit queries. We have also raised several improvement recommendations which have been accepted by management.



We have not yet completed our audit of your financial statements. We expect to issue our audit opinion in February 2025. Our findings on our work to date are set out in further detail on pages 9, 18 and 21.



Executive summary (continued)



Improving economy, efficiency and effectiveness

The Council has effective systems in place to identify and monitor its performance and assess its areas of improvement. During 2023/24 the Council undertook significant effort to sign a section 75 agreement with Torbay and South Devon NHS Foundation Trust and NHS Devon Integrated Care Board (ICB) for 5 years. The agreement is for the integration of Health and Social care. Furthermore, the Council delivered a refreshed corporate plan (Torbay Corporate Plan 2024-2027) establishing its goals and objectives with clear methods of measuring performance. The Council continues to develop its transformation programmes, particularly in Adult Social Care the use of consultants (Channel 3) to develop savings opportunities and optimisation. Based on our areas of focus and evidence considered, we have not identified any significant weaknesses in arrangements to ensure the Council manages improving economy, efficiency and effectiveness. However, we have identified an area where the Council could improve arrangements and, as such, have raised an improvement recommendation which has been accepted by Management.

Executive summary (continued)



Overall summary of our Value for Money assessment of the Council's arrangements

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. A summary of our judgements are set out in the table below.

Criteria	2022/23 Auditor judgement on arrangements	2023/24 Auditor judgement on arrangements	Direction of travel
Financial sustainability	A No significant weaknesses identified but five improvement recommendations made.	A We note the improvements made by the Council in the executive summary (page 5). No significant weaknesses in arrangements have been identified, but two improvement recommendations have been made to support the Council in improving arrangements for its financial planning. These relate to linking its financial planning to its other plans, and the Council should undertake further sensitivity analysis and scenario analysis to give further context for proposed budgets to allow for further scrutiny and challenge.	↔
Governance	A No significant weaknesses identified but three improvement recommendations made.	R A significant weaknesses has been identified around the Council's capacity and capability of its finance team to ensure that financial reporting arrangements, including those relating to the statement of accounts are adequate. We also raised three improvement recommendations to support the Council in improving arrangements for its Governance arrangements. These relate to the Council's reporting on decision making being more detailed in its considerations and analysis, the arrangements for reporting on delegated decisions and arrangements to support Council members to continue to develop their understanding of their role and responsibilities.	↓
Improving economy, efficiency and effectiveness	A No significant weaknesses identified but two improvement recommendations made.	A We noted the improvements the Council has made in delivering its services in the executive summary (page 5). No significant weaknesses in arrangements were identified, but one improvement recommendation was identified to support the Council in improving its economy, effectiveness and efficiency. The improvement recommendation relates to developing clear action plans that link to performance reporting, documenting updates on improvement and ensuring that there is clear ownership on the improvement journey.	↔

Opinion on the financial statements and use of auditor's powers



Opinion on the financial statements



Audit opinion on the financial statements

We have not yet issued our audit opinion on the financial statements. We expect to complete our work in February 2025.

Grant Thornton provides an independent opinion on whether the Council's financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conduct our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Audit Findings Report

We will report the detailed findings from our audit in our Audit Findings Report. Our report is scheduled to be presented to the Council's Audit Committee on 25 February 2025. We will update this Auditors Annual Report at the conclusion of our financial statements audit to reflect the final outcomes from our work

Findings from the audit of the financial statements to date

We commenced our financial statements audit in September 2024, following receipt of the Council's draft accounts on 2 August 2024, some 9 weeks after the required publication deadline. Local authorities are required to publish their draft financial statements by the statutory deadline of 31 May 2024. Only 41% of local authorities achieved this statutory deadline in 2023-24.

We agreed with finance officers to undertake our audit in a hybrid manner, with our audit team working two days per week at the Council offices in Torbay and remotely for the remainder of each week.

Our work to date has identified some key challenges which hindered our initial progress with the audit. We raised our initial request for audit working papers on 19 August 2024 and these had not been fully responded to by the time our audit work began. Over the initial weeks of our audit, there were a significant number of audit queries on our tracker which have remained outstanding for more than two weeks. Our initial work also identified a number of reconciliation differences between the Council's accounting records, the final accounts trial balance and the draft financial statements, affecting both the 2023-24 reported results and also the opening balances relating to the 2022-23 comparative period.

In order to address these issues, the Council secured additional temporary resource to support both the updating of the financial statements and to assist with ongoing queries arising from the audit. This has been an important step in resolving problems in a timely manner and reflects the need for additional resilience in the finance team on an ongoing basis. We were required to pause work on the audit for two weeks in order to allow the new version of the draft statements to be produced, but our team re-commenced work on 11 November 2024 with the intention of completing the audit ahead of the 28 February 2025 backstop date, allowing the Council to return to a regular audit cycle. Since the new temporary resource arrangements were introduced, we have received updated components of the Council's primary financial statements on a phased basis, to allow as many aspects of the audit work to restart and allow us to progress our audit sampling work as far as possible. Officers are continuing their work to provide a final complete set of updated financial statements which are expected to be received on 17 January 2025. We have been pleased with the improved engagement by finance officers since the new resources have been put in place, however the Council will need to develop actions to introduce a permanent solution for the longer term.

Use of auditor's powers

We bring the following matters to your attention:

	2023/24
<p>Statutory recommendations</p> <p>Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly.</p>	<p>We did not make any written recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.</p>
<p>Public Interest Report</p> <p>Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.</p>	<p>We did not issue a public interest report.</p>
<p>Application to the Court</p> <p>Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.</p>	<p>We did not make an application to the Court.</p>
<p>Advisory notice</p> <p>Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:</p> <ul style="list-style-type: none"> • is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure, • is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or • is about to enter an item of account, the entry of which is unlawful. 	<p>We did not issue any advisory notices.</p>
<p>Judicial review</p> <p>Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.</p>	<p>We did not make an application for judicial review.</p>

Value for Money Commentary on arrangements



The current landscape

It is within this context that we set out our commentary on the Authority's value for money arrangements in 2023/24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified.



National context

Local government in England remains a challenged sector. In recent years, generationally significant levels of inflation put pressure on councils' General Fund revenue and capital expenditure. The associated cost of living crisis drove an increase in demand for council services such as social care and homelessness. At the same time, the crisis impacted adversely on key areas of council income that were needed to service the increase in demand, for example fees and charges and the collection rates for council tax, business rates and rents.

For Housing Revenue Accounts, inflation in recent years led to cost increases often outstripping rent rises. In the coming years, new legal duties on landlords are expected to increase costs further, without there necessarily being any additional funding to cover the new costs. At the same time, high construction prices are making it harder for councils to invest in the new accommodation which might have helped make savings in the revenue account, for example on temporary accommodation and homelessness. Housing Revenue Accounts are under further pressure due to regulatory challenges in housing quality in the light of national issues in respect of cladding and damp/mould issues.

In January 2024, the UK government announced an additional £600 million for local government, but the Spring Budget for 2024 brought little in the way of any further support. Rising costs of delivering services, coupled with workforce shortages in key areas, supply chain fragility, and rising interest rates for servicing debt, brought a level of crisis to the local government sector perhaps never experienced before. Current warning signs of difficulty include:

Seven councils issuing eleven section 114 notices between 2019 and 2023, compared with two councils issuing notices between 2001 and 2018, with an increasing number of other councils publicly warning of a section 114 risk;

Twenty councils being with government approval for exceptional financial support during 2024/25, totalling approximately £1.5 billion. Only six of these councils had previously issued a section 114 notice.; and

The Local Government Association warning that councils in England face a funding gap of £4 billion over 2023/24 and 2024/25.

Local government is coming under an increased spotlight in terms of how the sector responds to the financial challenge it faces. Since the start of 2024, the UK government has emphasised the need for increased productivity rather than increased funding. New plans were announced by the Chancellor in March 2024 for public sector productivity to deliver up to £1.8 billion worth of benefits by 2029. Councils have subsequently been asked to submit productivity plans, showing how they will improve service performance and reduce wasteful spend.



Local context

Torbay Council is the local authority for Torbay in Devon, England. Since 1998, it has operated as a unitary authority, meaning it handles both district and county-level responsibilities independently from Devon County Council. This allows Torbay to manage local services such as education, transport, and social services directly. Since 2023, Torbay Council has been under no overall control. Initially, the Conservatives held a majority after the May 2023 elections, but in October 2023 moved to no overall control when two members left to form Prosper Torbay. In June 2024, the Conservatives won a by-election, giving them half the seats, but still one short of a majority.

Torbay won the most improved Council of the year at the Local Government Chronicle awards during 2022-23; the judges praised the Council for its significant organisational improvements, good financial management and cultural changes particularly within the Children's Services directorate.

Financial sustainability



We considered how the audited body

Commentary on arrangements

Assessment

ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;

The Council identifies all the significant pressures that are relevant to the short and medium-term financial plans. The assumptions made by the Council are reasonable in respect to the impacts of the 2024/25 local government finance settlement, core spending power, increases in Adult Social Care demand, inflationary pressures, and impacts of the Dedicated Schools Grant deficit.

The Council undertook its medium-term resource planning from December 2023 through to February 2024, identifying a funding gap of £5.4 million in 2025/26 and £1.9 million in 2026/27 which is to be met with savings and no use of reserves.

From the evidence provided, our view is that the Council has sufficiently identified all the significant financial pressures and built their plans around them, with mitigations and to inform its savings plans.

G

plans to bridge its funding gaps and identifies achievable savings

The Council is able to bridge its funding gaps through the use of its savings plans and has historic evidence from 2022/23 and 2023/24 that it is able to deliver the majority of planned savings. It has identified a £0.3 million budget gap for 2024/25 and has established a clear savings plan, which is mainly delivered through its Adult Social Care Transformation. We note that in 2025/26 the Council faces a more significant gap of £5.4 million and there is currently an approved savings plan in place.

As of 2024/25 the Council implemented the use of sustainability plans as part of its budgeting process, financial sustainability plans are developed and reported on at directorate level to the s151 officer and the senior leadership team to review. The aim of the sustainability plans is to capture demand pressures and savings opportunities in year, in addition to annual reporting. This allows the Council to identify pressures and mitigations throughout the year to improve its budgeting accuracy and management information.

We reviewed multiple sustainability plans developed across multiple directorates in Q1 2024/25 and Q2 2024/25. The report consists of a directorate description and update since the prior version. There's also a needs analysis of the directorate, covering the future state and what additional resources are needed to deliver it. The report details the levels of savings targeted annually, with a description on estimates and how the savings will be delivered. Followed by a schedule of actions and key milestones with an estimated financial impact, with a corresponding short-term progress update. The updates are RAG rated (red, amber, green) allowing the reviewers to ascertain areas of concern. The report also factors in the additional risks and areas of concern impacting the directorate, shown by severity and mitigations in place. In reviewing the plans, we observed how the updated plans fed into the quarterly finance updates presented to Cabinet. There was a consistent update to the quarterly financial reporting based on the update from the sustainability plans. There was a clear thread of transfer of information.

G

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Financial Sustainability



We considered how the audited body:	Commentary on arrangements	Assessment
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	<p>The Council plans its finances to support the sustainable delivery of services in accordance with its strategic and statutory priorities, as evidenced in 2023/24 financial planning for the additional funding allocations to meet the increased demand pressures in Adult Social Care. Furthermore, as part of its medium-term resource planning the Council has factored in its strategic priorities in improving services such as Adult Social Care transformation programme and wider Council transformation programme.</p>	G
<p>ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system</p>	<p>The Council's medium-term resource plan (MTRP) is not clearly aligned with other plans such as workforce, estates and assets planning, and net zero. Furthermore, there is no clear involvement in how the Council's financial planning aligns to other bodies, such as partners in the recently signed s75 agreement.</p> <p>The MTRP presented to Cabinet in February 2024 was not consistent with other key plans such as Torbay's productivity plan or the Council's net zero plan. Specifically, the productivity plan referenced the reduced agency workers across directorates in an aim to save costs and, workforce reviews have not been captured in the MTRP.</p> <p>It's important that the Council's financial planning aligns to the Council's corporate and strategic objectives. This ensures that the budget is a fair representation of the Council's aims and objectives and the finance budget is not separated from Council activities. The Council's medium-term resource plan should clearly align to its other plans to ensure the budget aligns to the Council's operational and strategic aims and we have raised an improvement recommendation around this.</p>	A
<p>identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans</p>	<p>The Council sufficiently identifies and presents its financial risks to members, and the impact of the financial risks are quantified and clear mitigations and actions are aligned to those. Reviewing the models that underpin the MTRP, the Council has undertaken a basic sensitivity analysis adjusting Council Tax, however there is no additional scenario analysis undertaken.</p> <p>A sensitivity analysis can identify the impact of one element impacting the budget, such as the impact of increasing Council Tax. This should be completed on multiple areas within income and expenditure to provide impacts of those changes in key budget assumptions. For scenario analysis, the Council should undertake specific scenarios such as reduction in the collection rate or changes in inflation assumptions. Further sensitivity and scenario analysis provides a wider range of budget outcomes that if presented to members can allow for further scrutiny and allows the Council to develop a more robust budget by having clear mitigation strategies. We have raised an improvement recommendation around this.</p>	A

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Financial Sustainability



We considered how the audited body: **Commentary on arrangements**

Assessment

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identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

Reserves

The Council has managed its budget by transferring unspent "one-off" budget allocations and funds from earmarked or ring-fenced streams, such as those for Adult Social Care and Public Health, to reserves. This ensures that these resources can be effectively utilised in future years.

For 2023/24, the Council achieved a net underspend, resulting in a £0.678 million surplus, with £0.4 million transferred into specific capital reserve and remaining £0.278 million transferred to a Comprehensive Spending Reserve (CSR). To fund one-off expenditures aimed at accelerating the delivery of Operation Brighter Bay. The Council's general fund reserves remained the same for 2023/24 with a closing position of £5.7 million, as per the financial statements. However the Council aims to increase the balance to £7.6m in 20254/25. This is still a relatively low level of reserves compared to other unitary authorities based on percentage of net revenue expenditure.

The Council's general fund reserve has remained at £5.7m for 2021/22 and 2022/23 and 2023/24. Based on the budget of £130.6m for 2023/24, the target reserve level would be £6.5m. The 2023/24 budget did not include any use of earmarked reserves to balance the budget. The Council do not plan to deplete the £5.7m reserves balance in the medium-term.

The Council has an earmarked reserve called the Comprehensive Spending Review Reserve which is purposed to fund costs associated with future budget reductions. The reserve stood at £2.6 million as at 31 March 2024. The Council continue to set the target for the CSR reserve at a minimum of £3m. The unearmarked general fund reserve and the CSR earmarked reserve are therefore the two reserve balances with the express purpose of supporting future revenue budget gaps. Therefore, while the general fund reserve balance might be low in comparison with other unitary authorities, the presence of the additional CSR reserve provides greater financial resilience to support the general fund balance. The combination of these two reserves is shown below:

	20/21	21/22	22/23	23/24
Unearmarked Reserves				
Unallocated General Fund Reserves	4.6	5.7	5.7	5.7
Earmarked Reserves				
Comprehensive Spending Review Reserve	2.4	3.0	3.5	2.6
Total	7.0	8.7	9.2	8.3

Based on current predictions, should the Council's savings plan not be delivered, this would put increased pressure on the Council's reserves position.

A

Financial sustainability



Areas for improvement

Linking medium-term resource plans

The Council's medium-term resource plan (MTRP) is not clearly aligned with other plans such as workforce, estates and assets planning, and net zero. Therefore, it's not clear how the Council's financial planning aligns with its strategic or operational objectives set it out in other plans such as the Community and Corporate Plan or the Productivity plan.

The Council should undertake a more detailed sensitivity and scenario analysis as part of its planning process

Reviewing the models that underpin the MTRP, the Council has undertaken a basic sensitivity analysis adjusting Council tax, however there is no additional scenario analysis undertaken. This would help to provide context around specific impacts to the budget if individual elements changed, and would allow for further scrutiny and challenge around budgets in the aim to deliver a more robust budget.

Improvement recommendation 1:

The Council's medium-term resource plan should clearly align to its other plans such as the productivity, estates and net zero plans to ensure the budget aligns to the Council's operational and strategic aims.

Improvement recommendation 2:

The Council should undertake more detailed sensitivity and scenario analysis as part of its planning process. This should be presented to members to allow for further challenge and scrutiny.

Governance



We considered how the Audited Body: **Commentary on arrangements** **Assessment**

monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	<p>The Council's Risk Management process is robust and well-embedded, with regular updates to the Corporate Risk Register, aligned with its corporate priorities. Risks are identified, scored, and mitigated through a 5x5 matrix system, with strategic, corporate, and operational risks managed in the SPAR.net database. The Risk Management Policy outlines the legislative requirements, tolerance thresholds, and responsibilities, and risk management is integrated into leadership and management practices through monthly and annual reviews. The Council has demonstrated improvements in risk reporting timeliness, but improvement recommendations remain, particularly around updating the Risk Management Policy more frequently and reducing the number of risks reported to Cabinet. Internal Audit reviews provide reasonable assurance over internal controls, with improvements seen in specific areas, notably in Children's Services following a positive Ofsted review.</p> <p>Additionally, the Council maintains strong anti-fraud measures and has reinforced these with a new Counter Fraud and Corruption Policy. Overall, the Council's commitment to risk management, internal audit, and fraud prevention is demonstrated by comprehensive governance structures and continuous improvement efforts.</p>	A
approaches and carries out its annual budget setting process	<p>The Council's budget monitoring report focuses on individual service trends and extrapolates their impact on the overall financial outturn. While the Council does not engage in broader trend analysis related to market data or macroeconomic factors, it incorporates specific macroeconomic elements, such as inflation, where directly relevant. The budget includes provisions for inflation (6.7% CPI for September 2023), pay increases, and tax growth. Inflation remains the primary cost pressure for the 2024/25 budget.</p> <p>There is evidence of benchmarking and collaboration with partners for comparative purposes, and internal processes engage budget managers and leadership comprehensively. Alternative savings options are presented to council members, and the decision-making process remains flexible, allowing for scrutiny and final approval by Full Council.</p> <p>Rising costs in construction and higher interest rates have impacted capital projects, leading to reassessment of business cases to ensure financial viability. While the Council benefits from fixed-rate historic borrowing, higher returns on cash investments have been noted, though they are cautiously managed without over-reliance.</p> <p>The Council's budget setting process is inclusive, involving all budget managers, external service partners, and stakeholder consultation. The final budget is reviewed and approved by Full Council, demonstrating robust oversight and a collaborative approach to financial planning. Additionally, the medium-term resource plan considers factors like the Business Rates Retention Scheme and anticipates future pressures, ensuring that financial gaps are addressed through savings strategies where necessary.</p>	G

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Governance



We considered how the Audited Body: **Commentary on arrangements** **Assessment**

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ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships

The Council’s quarterly budget monitoring reports provide the Cabinet with a clear understanding of the Council’s financial position both in-month and year-to-date, along with year-end forecasts. The Cabinet meeting minutes show that discussions and challenges are focused on areas with the greatest variances, indicating a strong grasp of the areas needing management and Cabinet’s attention. Corrective actions are taken as necessary, particularly addressing budget overruns in demand-led services.

However, there was concern around the capacity of the finance team in terms of meeting its statutory financial reporting requirements in terms of delivering audit evidence and responding to queries. We raised a key recommendation around this. 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. Furthermore, sufficient capacity should be given to the team to ensure that audit queries are met in a timely manner and resolved sufficiently. Further details on the progress of our 2023-24 financial statements audit are set out on page 9 of this report.

R

ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee

The Council has established a robust governance framework for decision-making, with regular reporting and oversight mechanisms in place. Key issues are communicated effectively through regular meetings involving senior leadership, Cabinet, and the Overview and Scrutiny Board. Reports are reviewed by legal and finance teams before decision-making to ensure accuracy and compliance. Decision-making processes are transparent, and there is no evidence of unlawful actions or significant financial risks. The Audit Committee meets regularly and plays a vital role in overseeing the Council’s financial health, reviewing risk management, and ensuring compliance with governance standards.

At the Council meeting on 20 September 2023, it was decided that the Torbay Economic Development Company (TEDC) would be dissolved, with its services brought in-house. This move aims to increase resources and focus on the Council’s core strategic objectives. The TEDC included the following entities: TDA Group: Torbay Economic Development Company Ltd, trading as TDA. Includes: TDA, Kings Ash Holdings, Complete Facilities Management Services, C & A Consultancy, Business Centres South West, TEDC Developments and Torvista Homes.

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This means that the activities of the TDA are going to be brought in house into the Council. This allows the Council to regain total control of both cost and performance of projects, this allows for greater governance and the reporting of activities can be reported through the Council’s existing democratic structures. Upon reviewing the decision report presented to the Cabinet in September 2023, it was noted that the report lacked depth in several critical areas. Specifically, the financial, operational, and legal implications were not thoroughly addressed. (continued)

Governance



We considered how the Audited Body:

Commentary on arrangements

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ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee

Not having sufficient evidence at the decision making stage, and all relevant information does inhibit the Council’s decision-making abilities. Furthermore, all information at the time of the decision must be contained for the Council’s record keeping. We noted that if the decision was undertaken with delegated authority, the reasons for the decision making may not be public and in light of further information the Council should report back on the delegated decision to the Cabinet for further scrutiny but also provide further transparency to the public. We have raised an improvement recommendation around this.

However, reviewing the decision report presented to Cabinet in September titled – Future options for structure and operation for Torbay Economic Development Company Limited. The report included considerations of the decision options in terms finance impacts the information provided to Cabinet is qualitative and there is no explicit considerations on how it impacts the budget and the wider medium term resource plan. Furthermore, other considerations such as the additional resource required in maintaining existing tenancies in the subsidiaries housing stock which are required to adhere to private landlord standards.

We have conducted a review of the Council's supporting plan for bringing the Torbay Development Agency (TDA) in-house. This review included an examination of the risk logs, action plans, and decisions log. We found these documents to be detailed and clear, providing a robust framework for the transition. The risk logs comprehensively identify potential challenges and outline mitigation strategies, ensuring that risks are managed effectively. The action plans are well-structured, with clear timelines and responsibilities, facilitating smooth implementation. Additionally, the decisions log has been sufficiently maintained, offering transparency and accountability throughout the process. Overall, the supporting plan demonstrates a high level of preparedness and strategic planning, which should contribute to the successful integration of TDA services into the Council.

We raised the following improvement recommendation: To enhance the quality and comprehensiveness of future reports, it is recommended that all aspects and impacts of the decision are to be documented in more detailed consideration and analysis. This will ensure that decision-makers are fully informed and can make well-rounded, strategic decisions.

A

Governance



We considered how the Audited Body:

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monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards .

Our review of the Council’s processes in ensuring that it monitors appropriate standards to meet legislative/regulatory requirements are appropriate. The Standards Committee ensures that all councillors and officers of the Council perform their duties within agreed codes of conduct, the Audit Committee ensures compliance with accounts and audit regulations and maintains a strategic overview with the Regulation of Investigatory Powers Act 2000. The Director of Public Health is responsible for ensuring the Council’s overall management of public health and the legal requirements in relation to health matters. Internal audit ensures compliance with statutory requirements in internal controls. And the procurement function ensures it procures services compliant to procurement legislation. The Council’s monitoring officer ensures that the Council’s constitution is complied with and the constitution is up to date. During 2023/24 there was no evidence to suggest that there was non-compliance with the Council’s constitution.

Council Committee Members

Since 2023, Torbay Council has been under no overall control. Initially, the Conservatives held a majority after the May 2023 elections, but they lost it in October when two members left to form Prosper Torbay. In June 2024, the Conservatives won a by-election, giving them half the seats, but still one short of a majority. There was a two-month delay in appointing a new mayor in May 2024, eventually succeeding in July 2024 with a Conservative being appointed instead.

In our interviews with the senior officers it was noted that political tensions within the Council have made aspects of the decision-making process more challenging and politically driven, though these tensions did not directly impact the Council’s ability to make decisions, despite elongating the process. Senior officers highlighted December 2023 as a period of heightened tensions disrupted the Council meeting resulting in decisions being postponed into the next meeting. The summary of complaints made against Councillors is underway and to be presented to Overview and Scrutiny Committee subsequently, we will continue to review as part of our VfM audit.

Political tensions within the Council are not unusual in local government. Despite these ongoing tensions, senior officers assure us that Members understand their roles and responsibilities, and decision-making is not currently impacted. In our discussions with the Monitoring Officer training is provided to members around their roles and responsibilities however is informal and is provided when required during meetings. We have raised an improvement recommendation that the Council should provide further formal training around roles and responsibilities required as members. Furthermore the Council should ensure that members are regularly informed about the Councillor Code of Conduct and should abide it.

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Governance



Significant weakness identified

Financial Reporting

A number of difficulties have arisen during the course of the 2023-24 financial statements audit to date. Our initial work identified a number of reconciliation differences between the Council's accounting records, the final accounts trial balance and the draft financial statements, affecting both the 2023-24 reported results and also the opening balances relating to the 2022-23 comparative period.

This has also highlighted some gaps in technical understanding of financial reporting requirements in the Council's finance team. There was a lack of understanding of the potential material impacts of the Council's activities in 2023/24 such as the group restructuring. Furthermore, there has been quite a high turnover of staff in the wider finance team over the last 18 months, including both the Section 151 officer and deputy Section 151 officer plus officers retiring/nearing retirement.

In order to address these issues, the Council secured additional temporary resource to support both the updating of the financial statements and to provide extra capacity to respond to queries arising from the audit. This has been an important step in resolving problems in a timely manner and reflects the need for additional resilience in the finance team on an ongoing basis. In undertaking this corrective work, new officers have identified further matters within the Council's accounting records to address. Consequently, it was necessary for the audit team to pause work on the audit for two weeks during October to allow officers appropriate time to undertake the necessary work to revise the underlying records, to restore confidence on the financial data used for the basis of us conducting our audit testing.

Since the new temporary resource arrangements were introduced, we have received updated components of the Council's primary financial statements on a phased basis, to allow as many aspects of the audit work to restart and allow us to progress our audit sampling work as far as possible. Officers are continuing their work to provide a final complete set of updated financial statements which are expected to be received on 17 January 2025. We have been pleased with the improved engagement by finance officers since the new resources have been put in place.

Our discussions with the section 151 officer has highlighted there is a culture in the Council's finance team of individuals just doing their part of the accounts process, and there is little collaborative working or understanding of where individuals sit in the wider process. We note that the current section 151 officer is aiming to implement further cross-role working as part of the 2024/25 financial year onwards, to build more agility and resilience within the team and support with wider skills development of officers.

In light of the difficulties highlighted in the accounts preparation process and accounting records, we have identified a significant weakness in the financial reporting arrangements and a key recommendation has been raised.

Key Recommendation 1:

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. Furthermore, sufficient capacity should be given to the team to ensure that audit queries are met in a timely manner and resolved sufficiently.

Governance



Areas for improvement

Improvement in reporting on decision making, and ensuring all information is provided

In light of the decision made on 20 September 2023, dissolving the Torbay Economic Development Company (TEDC) and bringing its services in house, it was clear that there were some considerations which later impacted the dissolution of the company and the Council which were not highlighted for consideration at the decision point. For example, the impact of keeping some of the TEDC subsidiaries operating as a going concern was not presented as a part of the dissolution decision, nor was the impact of delivering existing tenancies for the housing association in house, where the existing tenancies have conditions that the Council itself cannot offer. The additional work in understanding how the housing assets could be transferred back to the Council and potential implications were not presented as at the decision point. While some of these additional risks were unforeseen at the decision point, it's important that the Council still documents as many possible impacts/considerations as part of the report pack presented to Council members. Furthermore, if decisions were undertaken with delegated authority, the Council should report justifications to Cabinet for transparency.

Ensuring members understand their roles and responsibilities

The LGA peer review conducted in 2024 highlighted several key points and recommendations regarding Torbay Council's current situation. Operating under a minority administration with 'No Overall Control', the Council needs a collaborative and pragmatic approach to governance. Despite some successes, such as the adoption of the Community and Corporate Plan and the cross-party approval of the 2024/25 budget, recent political tensions have hindered progress. These tensions are affecting staff morale, the Council's reputation, and the trust of its partners. Our discussions with senior officers identified that political tensions within the Council complicated the decision-making process, and while the tensions did not impede the Council's ability to make decisions it did extend the duration of the process. Our discussions with the monitoring officer highlighted that they are underway in compiling the code of conduct complaints register for 2023/24, with requisite actions and outcomes for bad behaviour.

Improvement recommendation 3: To enhance the quality and comprehensiveness of future reports, it is recommended that all aspects and impacts of the decision are to be documented in more detailed consideration and analysis. This will ensure that decision-makers are fully informed and can make well-rounded, strategic decisions.

Improvement recommendation 4: Where decisions are undertaken under delegated authority, the justification and the additional information on the decision must be reported back to Cabinet for transparency.

Improvement recommendation 5: The Council should provide further formal training around roles and responsibilities required as members. Furthermore the Council should ensure that members are regularly informed about the Councillor Code of Conduct and should abide it.

Improving economy, efficiency and effectiveness



We considered how the audited body:

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uses financial and performance information to assess performance to identify areas for improvement

Torbay Council's service performance during 2023/24 was driven by a refreshed corporate plan, the Torbay Corporate Plan 2024-2027. At present the Council's performance is reviewed at Overview and Scrutiny Committee, and the Council's senior leadership team oversee the delivery of performance. Our review of the performance monitoring presented to Overview and Scrutiny Committee and presented to Cabinet quarterly at the performance monitoring identified that the reporting of performance was clear and allowed for challenge from members. Furthermore, the reporting summaries identify clearly the areas of improvement for the Council.

As of May 7, 2024, the Quarter 4 performance report presented to the Overview and Scrutiny Committee included 90 key performance indicators which are scored against a set target, 34 out of 90 are performing on or above target. 47 are performing much worse than their target and 9 are worse than their target. This identifies the Council has some significant improvement required to meet its targets.

We reviewed historic performance reporting presented to Overview and Scrutiny Committee in 2022/23 and noted that performance against targets was also poor. We noted that the reporting to Overview and Scrutiny didn't include clear actions, or progress against actions plans nor notification of who owns the improvement.

We have raised an improvement recommendation that the Council should ensure that it clearly documents action plans on improving performance, improvement against them and that there is clear ownership of responsible individuals delivering that change.

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evaluates the services it provides to assess performance and identify areas for improvement

The Council underwent a Corporate Peer Challenge Review in 2023/24 by the Local Government Association (LGA). The findings highlighted 15 key recommendations, and the Council has demonstrated drive and determination in improving its services. Which is reflected in the Council being awarded the 'Most Improved Council' by the Local Government Chronicle (LGC).

Furthermore, the Council actively seeks other areas of external review to assess its services and identify areas for improvement, such as the Adult Social Care CQC (Care Quality Commission) preparing for upcoming reviews. Also, Children's services also undertaking mock Ofsted reviews to identify further areas of improvement.

G

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness



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The Council has a strong focus on partnership working and significant work has been undertaken to formalise partnership working arrangements during 2023/24 as part of the Section 75 agreement with the NHS. The performance of partners is reported as part of the quarterly performance reporting to Cabinet and performance is also monitored at the corporate level as part of the procurement/commissioning function.

Adults Social Care – Section 75 agreement & transformation programme

In March 2023, Cabinet agreed to enter a new S75 agreement with Torbay and South Devon NHS Foundation Trust, NHS Devon Integrated Care Board (ICB) for 5 years. The agreement is for the integration of Health and Social care on the basis for year-on-year increased cost to the Council of:

- a. £2.55m additional base budget in 2025/26
- b. £2.55m additional base budget in 2026/27
- c. £1.7m additional base budget in 2027/28
- d. £1.7m additional base budget in 2028/29
- e. £1.7m additional base budget in 2029/30

The new Section 75 (s75) agreement aims to provide continued commitment and stability for the partnership between the Torbay and South Devon NHS Foundation Trust, NHS Devon ICB, and Torbay Council. This agreement will help consolidate leadership and performance through the new s75 Executive Group. It emphasises the importance of clear oversight for the Statutory Director of Adult Social Care (DASS) and the Executive and Political Leadership of the Council.

Between November 2023 and February 2024, Torbay senior leadership, transformation leads, and senior operational managers collaborated to address the challenges facing Adult Social Care in light of the new s75 agreement. Supported by Channel 3 consulting, they developed transformation plans focusing on service transformation, financial control, and creating a high-performing directorate. The service transformation aims to deliver sustainable savings over 2-3 years, with key areas including maximising independence, early intervention, hospital discharge optimization, support for working-age adults, digital transformation, and innovative commissioning.

G

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ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives

Improving economy, efficiency and effectiveness



We considered how the audited body:

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ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives

The transformation plan has identified savings opportunities of £3m-£4m annually through care package reviews and £12m-£16m through broader transformation initiatives. These plans require detailed validation and prioritisation to ensure effective implementation. The transformation program will focus on embedding strengths-based practices, improving early intervention and prevention, streamlining hospital discharge, supporting independence for working-age adults, leveraging digital tools, and enhancing commissioning practices.

We observed the Channel 3 transformation plan, detailing actions against the areas of improvement and the planned timelines for delivery, deliverables and stakeholders involved. We also observed the project plan timeline, which was clear in terms of showing timeline of actions and the contingency around it.

We will monitor the Council's progress against the transformation programme through reporting to the Cabinet and the Adult Social and Health Overview Scrutiny Sub-Board.

G

commissions or procures services, assessing whether it is realising the expected benefits

Procurement at Torbay Council is governed by the Council's Financial Regulations and Contract Procedure Rules which form part of the Council's Constitution. The Council also have a Procurement Strategy which was approved in August 2020 and ran up till March 2023. The Council is currently underway in developing its updated procurement plan. External services at the Council are commissioned by the Corporate Procurement Team (CPT) who ensure that external organisations are aware of the authority's anti-fraud, bribery and corruption policy. The Procurement Policy also requires employees to act in accordance with best practice and the procurement toolkit ensures this process is consistent.

The procurement function do not currently report on procurement key performance indicators (KPIs) on a regular basis to any specific Council committees or Senior Leadership Team (SLT). Reporting is currently on an ad hoc or case by case basis.

We have kept an historic recommendation surrounding the need to report to audit committee on exemptions to the Contract Standing Orders. The procurement function should report on the value, number and nature of the waivers at least quarterly to audit committee.

The procurement team produced a Service Plan for 2023/24 which it implemented to set its strategic direction. The Transforming Procurement Programme is underway and this covers the Council and its wholly owned companies. The programme is supported by the Transforming Procurement Board which is chaired by the Section 151 officer. The Council has developed a comprehensive terms of reference for the programme which details the aims of the Board, its purpose, its core objectives and the specific roles and responsibilities of its members. The programme's objective is to transform the way procurement functions at the Council. (continued next page)

G

Improving economy, efficiency and effectiveness



We considered how the audited body:

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commissions or procures services, assessing whether it is realising the expected benefits

The Council has already made some evident improvements as demonstrated by the reduction in the number of waivers from 106 in 2022/23 to 92 in 2023/24.

The Council has focused on incremental changes which should facilitate a steady transformation into a more efficient and effective procurement function. Overall, procurement at Torbay has significantly improved but is still very much on a journey.

G

Improving economy, efficiency and effectiveness



Areas for improvement

Action plans for improvement

As noted in the Quarter 4 performance reports presented to Overview and Scrutiny, this highlighted that performance against agreed targets was below expectations and of the 90 key performance indicators only 34 are performing on target. With this poor performance against agreed targets, it is important that the Council clearly documents its improvement plans against indicators, and that those plans are clearly linked with clear ownership of responsible individuals delivering that change.

Improvement recommendation 6:

The Council should ensure that it clearly documents action plans on improving performance, improvement against them and that there is clear ownership of responsible individuals delivering that change.

Value for Money Recommendations raised in 2023/24



Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
KR1 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. Furthermore, sufficient capacity should be given to the team to ensure that audit queries are met in a timely manner and resolved sufficiently.	Key Recommendation	Governance	External Audit of annual accounts	Risks around not meeting statutory deadlines.	The Council has commissioned specialist technical support to help complete the 2023/24 Accounts process and provide relevant training to internal staff. Recruitment to key posts within the Corporate Finance team has been completed which will provide greater resilience moving forwards.
IR1 The Council's medium-term resource plan should clearly align to it's other plans such as the productivity, estates and net zero. To ensure the budget aligns to the Council's operational and strategic aims.	Improvement Recommendation	Financial Sustainability	Medium Term Resource Plan, Torbay Productivity Plan, Council Business Plan 2024/27, Carbon Neutral Council Action Plan 2022-2024	Lack of alignment between the Council's financial plan and objectives could mean the Council may not be able to deliver its strategic objectives due to lack of linking up between plans.	The Council's key plans and strategies have been recently reviewed and updated such as the 20 year Corporate and Community Plan and accompanying 4 year Council Business Plan. Greater alignment will take place as future budgets are set.
IR2 The Council should undertake more detailed sensitivity and scenario analysis as part of it's planning process. Outcomes/outputs should be presented to members to allow for further challenge/scrutiny.	Improvement Recommendation	Financial Sustainability	Models that underpin the Medium-term Resource Plan	The Council may not factor in possible considerations that may make the proposed budget less robust.	High level scenario analysis does take place such as future Council Tax base levels linked to key changes such as 2 nd Homes Charging. Analysis of Social Care Provider uplifts are also considered. However, such analysis is not captured in a single document which will be rectified moving forwards.

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR3 To enhance the quality and comprehensiveness of future reports, it is recommended that all aspects and impacts of the decision are to be documented in more detailed consideration and analysis. This will ensure that decision-makers are fully informed and can make well-rounded, strategic decisions.	Improvement Recommendation	Governance	Document presented to Cabinet on 19 September 2023: Future options for the structure and operation of Torbay Economic Development Company Limited.	To improve transparency around decision making in the future.	Agreed. This will be addressed for future key decisions.
IR4 If a decision was undertaken with delegated authority, the justification and the additional information on the decision must be reported back to Cabinet for transparency.	Improvement Recommendation	Governance	N/a	To improve transparency around decision making in the future.	Agreed. This will be addressed for future key decisions.
IR5 The Council should provide further training around roles and responsibilities required as members. Furthermore the Council should ensure that members are regularly informed about the Councillor of Code and should abide it.	Improvement Recommendation	Governance	Meetings with Senior Officers, LGA Peer Review.	Risk around the decision making process being elongated and potentially impacting the Council's ability to make decisions.	Member training is regularly reviewed and updated. Specific training has been provided for Audit Committee members such as Treasury Management and Risk Management. The LGA has been commissioned to help with cross-party working.

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>We have raised an improvement recommendation that the Council should ensure that it clearly documents action plans on improving performance, improvement against them and that there is clear ownership of responsible individuals delivering that change.</p>	Improvement Recommendation	3E's	Q4 2023/24 Performance Reporting.	Clear links to action plans can ensure for further scrutiny of actions made by responsible individuals to deliver that change, and meet targets.	The revised Performance Management Policy (January 2025) makes clear that performance should be managed at every level of Torbay Council with an expectation that Recovery Plans are put in place at the appropriate level. A Performance Management Improvement Plan is being developed and will be implemented during 2025. This will include training for managers across the Council, who will then be held to account to ensure that the Performance Management Policy is implemented consistently across the organisation.

Appendices

Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

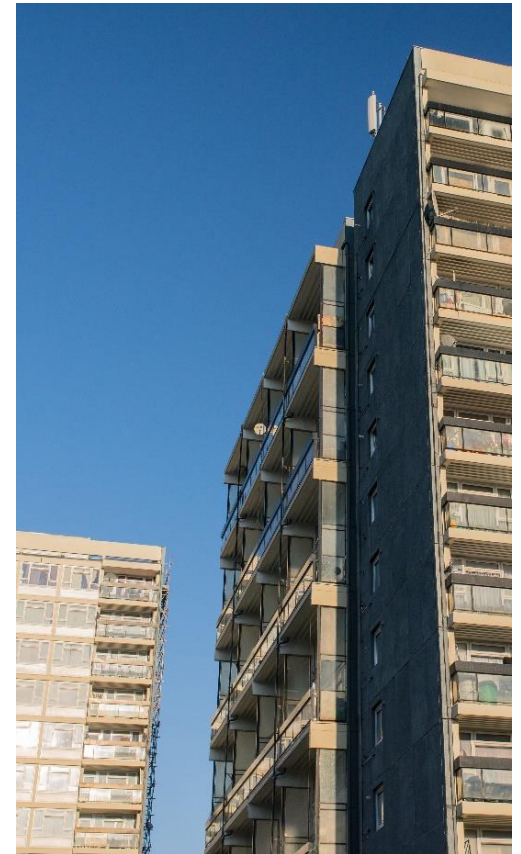
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities



Value for Money arrangements work

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The audited body's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice (the Code'), requires us to assess arrangements under three areas:

Financial Sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

2023/24 is the fourth year of the Code, and we undertake and report the work in three phases as set out in the Code.

Phase 1 – Planning and initial risk assessment

As part of our planning we assess our knowledge of the Council's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period

Information which informs our risk assessment	
Cumulative knowledge and experience of the audited body	Annual Governance Statement and the Head of Internal Audit annual opinion
Interviews and discussions with key stakeholders	The work of inspectorates and other regulatory bodies
Progress with implementing recommendations	Key documents provided by the audited body
Findings from our opinion audit	Our knowledge of the sector as a whole

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the Council's auditors as follows:

- **Statutory recommendations** – actions which should be taken where significant weaknesses are identified with arrangements. These are made under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014 and require discussion at full Council and a public response.
- **Key recommendations** – actions which should be taken by the Council where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the Council's arrangements.

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
<p><u>Savings</u> The Council should implement a single, consolidated and regularly updated mechanism that tracks its savings plans. This should include the savings that have been agreed, how they will be monitored and the extent to which they have been achieved. The savings should also be built into the authority's annual budget and medium-term financial plan. Savings must be publicly agreed and approved by Members and progress against savings plans alongside any variances of deviation from those plans must be publicly reported to Members.</p>	Improvement	July 2023	2023/24 savings plans were reported throughout the financial year as part of quarterly monitoring reports. A new, longer term approach was adopted for 2024/25 - focussing on a fewer number (9) sustainability plans. No specific financial targets have been assigned to these sustainability plans as the Council believe that a sustained focus on these key areas will ultimately result in a longer term, more stable revenue budget position.	No	We will continue to review the Council's progress it's savings delivery, as required to fill upcoming budget gaps in the Medium-Term Resource Plan as part of our VfM audit.
<p>The Council must continue to work toward building its general unearmarked reserves balance to the target level.</p>	Improvement	July 2023	The Council produced an updated reserves policy as part of the 2024/25 budget setting process. In this document the Working Balance was increased to 5% of net revenue budget (target level) and a separate £3m 'Comprehensive Performance Reserve' was maintained.	Yes	No further actions required.
<p>The Council must continue to judiciously monitor its progress in managing the Dedicated Schools Grant (DSG) deficit. Members must not underestimate the impact the DSG could have on the overall financial health of the Council.</p>	Improvement	July 2023	Governance and oversight of progress against our approved DSG improvement plan remains a priority for the Council. Good progress has been made during the early stages with the government now having released circa £8m of the £11.9m deficit to Torbay Council. The remaining targets remain challenging but we have a series of mitigating actions planned.	Yes	No further actions required.

*Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
4 The Council should review and evaluate how it sets its capital budget. Consideration of this will enable it to set a more realistic budget going forward.	Improvement	July 2023	The Council has undertaken a significant amount of work in this area. As part of the 2024/25 budget setting, the previous £270m capital programme was significantly reduced to just £19m for 24/25. Since then, further additions have been made to the Capital Investment Plan but in a controlled, managed way through an established gateway process with recommendations made to Cabinet by a Senior Officer and the member Capital Growth Board.	Yes	No further action, but we will continue to review the delivery of the Capital programme as part of our VfM review.
5 The Council should consider the ways in which it can assess whether its services achieve value for money by reviewing explicitly the ways in which services are delivered and gaining a greater understanding of its cost base. The CIPFA management code 2020 proposes preparing an annual value for money report, summarising the action that the Council has taken to ensure that its services deliver value for money and how it has sought to improve economy, efficiency, and effectiveness and equity. This will ensure greater integration of financial and non-financial information.	Improvement	July 2023	We are in the process of improving our use of benchmarking data and now procure a comprehensive set of external benchmarking (unit costs) reports provided by LG Futures, which include a Value for Money (VfM) assessment. Our Policy, Performance and Community Engagement Team also compile benchmarking information that compares cost and performance data against comparator groups. This data has been used as part of a recent LGA Peer review of Children's Services and also informed discussions with Health re our integrated ASC contract and transformation programme. Service Managers are required to include benchmarking data within their service plans and consider how relevant performance and financial information compares with others. The timetabling for presentation of Performance and Finance monitoring reports to Council meetings has now been aligned to improve the integration and consideration of financial and non-financial information.	Yes	No further action, but we will continue to review as part of our VfM audit.

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
6 Risk a. The Council should implement a regular review of its risk management policy. We recommend a yearly review. b. The Council should reconsider how many risks are reported to Cabinet in the Risk Reports. c. The Council should ensure timely reporting of risks to the audit committee.	Improvement	July 2023	Action completed. The Risk Management Policy is reviewed annually with updates reporting into the Audit Committee. The Council regularly review the 'tiers' of risk between strategic, corporate and service risks. Directors take full responsibility for their specific service areas with high level and high scored risks presented to Directors and Cabinet in strategic update reports.	Partly	Part C not addressed, in 23/24 risk reporting it not timely and frequent to Audit Committee.
7 The Council should seek to include two independent co-opted members to the audit committee in line with CIPFA guidance Audit Committees: Practical guidance for local authorities and police (2022)	Improvement	July 2023	The council worked with Devon Assurance Partnership and has co-opted a suitable qualified independent member to the committee. The independent member joined the audit committee in March 2024. The Council will review the arrangement on an ongoing basis and consider if co-opting a second member to the committee is required.	No	Partially completed, we will continue to monitor the Audit Committee and whether the Council deems fit to co-opt a second independent member.
8 The Council should see to develop a People Strategy covering at least the medium-term period to set out the strategic direction of the Council's workforce and how it intends to develop its capacity and capability to deliver the Council's ambitions and priorities.	Improvement	July 2023	A high level draft People Strategy was produced in March 2024.	No	The plan published is high-level and does not cover to sufficient depth how the Council will plan it's workforce in delivering specific strategic goals, nor is included as part of it's medium term financial planning.

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
9 The Council should consider developing a ten-year Corporate Plan and supporting Business Plan.	Improvement	July 2023	The Council has adopted a cross-party 20 year Community and Corporate Plan with a more action focussed 4 year Business Plan covering the current political term of office. Directorate Service Plans and staff appraisals link into these strategic documents.	Yes	No further action required.
The Council should consider reporting on a greater suite of procurement indicators to Audit Committee. These indicators should include the value and number of waivers to the Contract Standing Orders. Inclusion of details of patterns including reasons why waivers were raised and directions of travel in terms of plans for reductions of use of waivers will bolster this tracking.	Improvement	July 2023	Changes to Financial Regulations and Contract Standing Orders have been approved by Full Council which have significantly increased spending thresholds in line with the majority of other single tier Councils. Consequently the number of required waivers has reduced dramatically. Those waivers that still remain require direct approval by the Director of Finance (Section 151 Officer)	No	Whilst improvements have been made, there is no frequent reporting around procurement indicators to Audit Committee.



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devonassurancepartnership
Support, Assurance and Innovation

Internal Audit

Interim Progress Report 2024-25

Torbay Council Audit Committee

Page 5/11

February 2025

Official



Tony Rose
Head of Devon Assurance Partnership

Jo McCormick
Deputy Head of Devon Assurance Partnership

Lynda Sharp-Woods
Audit Manager



Agenda Item 8

Introduction

This report provides a summary of the performance against the Internal Audit plan for the 2024/25 financial year to date, highlighting the key areas of work undertaken and summarising our main findings and recommendations aimed at improving controls, and provides our current Annual Assurance Opinion on the overall adequacy and effectiveness of the Authority’s Internal Control Environment. The Internal Audit plan for 2024-25 was presented and approved by the Audit Committee in March 2024.

The level of risk associated with each of the areas in Appendix 1 has been determined either from the Local Authority’s Risk Register (LARR), or the Audit Needs Assessment (ANA) carried out at the planning phase. Where the audit was undertaken at the request of client it has not been risk assessed. Assurance and recommendations should be considered in light of these risk levels and the impact this has on achievement of corporate / service goals.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement. This progress report provides a summary of work completed to date that will help inform the annual assurance opinion.

The Accounts and Audit (Amendment) (England) Regulations 2015 introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal control system and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Audit Committee, under its Terms of Reference contained in Torbay Council’s Constitution is required to consider the Chief Internal Auditor’s annual report and opinion, to review and approve the Internal Audit programme, and to monitor the progress and performance of Internal Audit.

Expectations of the Audit Committee from this progress report

Audit Committee members are requested to consider:

- the assurance statement provided for the Council within this report;
- the basis of our opinion and the completion of audit work against the plan;
- changes to the plan and the scope and ability of audit to complete the audit work;
- audit coverage and findings provided;
- the overall performance and customer satisfaction on audit delivery.

In review of the above the Committee are required to consider the assurance provided alongside that of the Senior Leadership Team, Corporate Risk Management and external assurance including that of the External Auditor.

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Overall Interim Opinion Statement

Based on work performed to date during 2024-25, our experience from previous years, the outcome of the Annual Follow Up exercise, the Head of Internal Audit's Opinion on the adequacy and effectiveness of the Authority's internal control framework is one of "Reasonable Assurance".

Our audit planning process is both risk based and agile, as such our resources, and consequently our annual report will inevitably focus upon higher risk areas.

The Council's internal audit plan for the year includes specific assurance, risk, governance, and value-added reviews which, with prior years audit work, provide a framework and background within which we assess the Authority's control environment.

The reviews to date in 2024-25 have informed the Head of Internal Audit's Interim Opinion. If significant weaknesses have been identified, these will need to be considered by the Council in preparing its Annual Governance Statement as part of the 2024-25 Statement of Accounts.

In carrying out reviews, Internal Audit assesses whether key, and other controls are operating satisfactorily and an opinion on the adequacy of controls is provided to management as part of the audit report. All final audit reports include an action plan which identifies responsible officers, and target dates, to address control issues identified. Implementation of action plans rests with management, and these are reviewed during subsequent audits or as part of a specific follow-up.

This statement of opinion is underpinned by:

Internal Control Framework

The control environment comprises the Council's policies, procedures and operational systems and processes in place to establish and monitor the achievement of the Council's objectives; facilitate policy and decision making; ensure economical, effective, and efficient use of resources, compliance with established policy, procedure, law, and regulation; and safeguard the Council's assets and interests from losses of all kinds. Core financial and administrative systems are reviewed by Internal Audit in accordance with the agreed Internal Audit Plan.

Risk Management

Risk Management (RM) continues to develop. SLT are considering establishing an assurance mapping framework that integrates with risk management (see page 4).

Processes are being developed to consider Audit recommendations and associated risks within the Council Redesign service review processes.

We audited Risk Management in 2023-24 and provided a reasonable assurance opinion.

We maintain involvement through DAP's Risk Management arm when support is requested. Most recently support to the Directors Risk Appetite workshop.

RM is reported to Senior Leadership Team (SLT) and Members.

Governance Arrangements

Our involvement in Programmes and Projects provides a governance assurance role.

The Information Governance Steering Group provides overarching governance in relation to information security, cyber governance, management, and compliance.

Finance, Ethics and Probity (FEP) maintain governance over issues within their remit aligned with their terms of reference.

We provide all our Internal Reports for consideration within the Annual Governance Reporting process. Some reports provide assurance regarding governance responsibilities such as IG and Data Quality, Subject Access Request, S106 & CIL, SEND, Safety Valve, Audit Committee Assessment and Commissioning audits (see page 3).

Performance Management

The audit of Performance Management in 2023-24 was deferred pending further development and embedding and not in the 2024-25 plan.

Irregularity and whistleblowing complaints, alongside the work of the Corporate Fraud Officer are also reported to Audit Committee.

Budget performance is monitored by SLT and full Council.

A children's Services Financial Project Board has been established to monitor financial performance.

Performance is reported to SLT and Members.

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Summary Assurance Opinions

High Level Summary Audit Plan

55 Prioritised Risk Areas

Adult Services and Community & Customer Services	Public Health	Children's Services	Pride in Place	Corporate Services Financial Services	Business Projects & Value Added
ASC Transformation Plan (QA role) <i>ANA – Critical (work ongoing)</i>	NHS Health Checks (management of contracts with GPs) <i>ANA Medium</i>	Safety Valve (QA role) <i>ANA Critical (work ongoing)</i>	Highways Commissioning <i>ANA Medium</i>	Council Borrowing (including Loans) <i>ANA High</i>	Business Improvement and Change ANA Critical (<i>work ongoing</i>)
ASC Use of social care grants <i>ANA – High</i>	0-19 Procurement (governance arrangements) <i>ANA Medium (work ongoing)</i>	Home to School Transport (QA role) <i>ANA Medium (work ongoing)</i>	Planning Enforcement <i>ANA High</i>	Audit Committee Assessment ANA <i>Medium</i>	Safe on-boarding of TDA / TorVista (QA role) ANA Critical (<i>work ongoing</i>)
ASC Client Debt (Follow Up)		SEND (Special Educational Needs and Disabilities) <i>ANA – High</i>	Capital Programme <i>ANA High (work ongoing)</i>	Health and Safety (Follow Up)	Subject access and freedom of information requests
ASC Precept Use (Follow Up)		Early Help (including Family Hub) <i>ANA High</i>	Events Follow up of Festival Report <i>ANA Medium</i>	Information Governance and Data Quality CCTV (Follow Up)	Audit Advice
Service Delivery Interdependencies (Follow Up)		Fostering and Connected Carers (Follow Up)	Climate Change (Follow Up)	Subject Access Request Process (Follow Up)	Annual Follow Up Activity
Housing <i>ANA – High</i>		Vulnerable Pupils ANA <i>Medium (Q4)</i>	Harbour Income (Follow Up)	Business Continuity ANA <i>Critical (work ongoing)</i>	Irregularity Investigations
Cost of Temporary Accommodation (Follow Up)		Sufficiency Strategy Progress ANA <i>High (Q4)</i>	S106 and CIL (Follow Up)	CRM System ANA <i>High (Q4)</i>	Audit Process
Vulnerable Renters (Follow Up)			SWISCo Commissioning (Follow up)	Democratic Services and Member Allowances ANA <i>Medium (deferred to 2025-26)</i>	Audit Plan Preparation and Monitoring
			Land Release Fund (LRF) and Other Grants ANA <i>High (Q4)</i>	Financial Resilience ANA <i>High (deferred to 2025-26)</i>	Audit Committee Reporting
		Development Management Planning ANA <i>High (deferred to 2025-26)</i>		External Audit liaison (information provision)	
				AGS (supporting information)	
				Counter Fraud Liaison	

Organisational Assurance	ICT <i>ANA Critical</i> – IT Service Review; Firewall; IT Asset Management (Follow Up); IT Change and Incident (Follow Up); IT User Management (Follow Up); ICT KFS (<i>work ongoing</i>); Patch Management (<i>work ongoing</i>); IT Risk Management (<i>deferred to 2025-26</i>)
	Key Financial Systems (KFS) <i>ANA High</i> – Open Revs & Civica W2 System Admin; FIMS System Admin; Treasury Management; Group Company Loans; Payroll (Follow Up); Payroll Cloud Implementation; Income Collection; Creditors and POP (Follow up); Working Age Council Tax Support Scheme; Main Accounting System and Bank Rec; FIMS Upgrade; Housing Benefits (<i>work ongoing</i>); CTAX and NDR (<i>work ongoing</i>); Debtors (Q4); Asset Register (Q4)
	Business Governance, Schools Assurance, Grant Certifications <i>ANA High</i> – Finance, Ethics and Probity Group; Information Governance Steering Group (<i>work ongoing</i>); Zero Emission Bus, Bus Subsidy, Local Transport Capital Block Funding, Adult Numeracy Programme Multiply, Schools Capital Allocations, Traffic Signal Green Light Fund, Local Growth Fund (EPIC), HB Subsidy (<i>work ongoing</i>); Schools audits

Assurance Mapping

Assurance Maps can be a valuable tool for organisations, aiding in monitoring and decision making and providing a source of reference for management at all levels on the overall health of the organisations control environment and in support of the Annual Governance Statement.

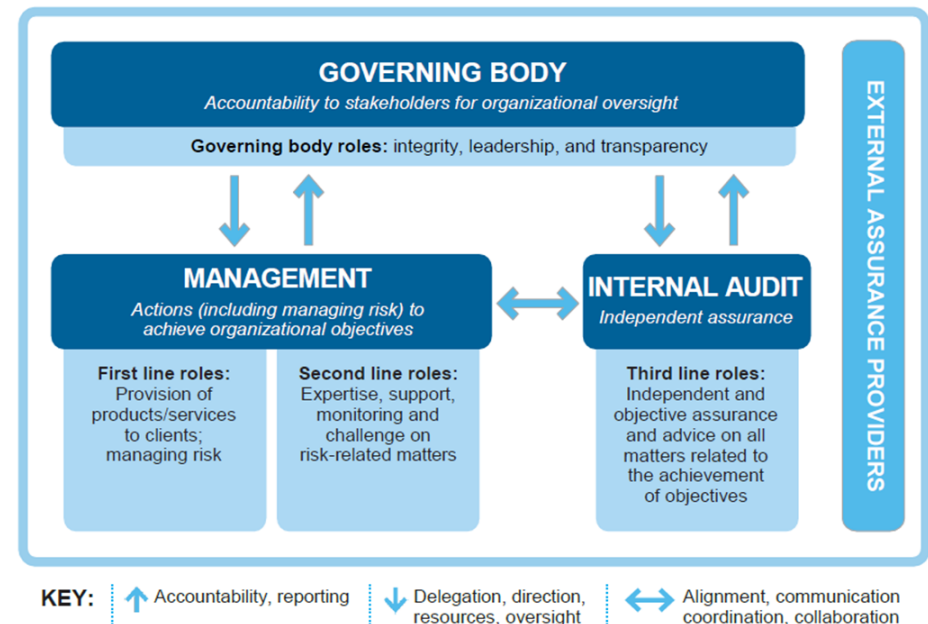
The Institute of Internal Auditors provides a summary of the benefits of Assurance Mapping:

- An assurance map brings an organisations risk appetite to life. At the same time as highlighting assurance gaps, it also shows where there is duplication or too much assurance. It is a simple way of aligning assurance resource, risk and internal control.
- It improves awareness of the control environment by looking across the organisation rather than at individual reports which can lead to siloed thinking.
- It drives positive behaviours by enabling robust discussions about risk, educating on the value of assurance and aiding collaboration between functions.
- Collectively, the assurance community of an organisation often has a more powerful voice when it works together; an assurance map is a practical platform benefiting all parties.

The Three Lines Model helps organisations identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management. It can typically be used to indicate sources of assurance as well as strengths and weaknesses. The Assurance Map we have produced is based around the principles of the Model. The diagram is a typical representation of this model. Assurance mapping would typically form part of organisational governance arrangements and therefore sit within the Management section of the Three Lines Model.

We reported the outcomes of the 2023-24 Assurance Mapping process to Audit Committee on the 24 July 2024 [Agenda for Audit Committee on Wednesday, 24 July 2024, 2.00 pm](#). The Director of Corporate Services and the Director of Finance, agreed management actions as a result of the related Internal Audit report. It was agreed that:

- The report would be taken to Senior Leadership Team;
- SLT would determine a framework within which the assurance map would be maintained;
- Evolve the map to link with the Council's Risk Management framework.



Value Added

Internal audit activity adds value to the organisation and its stakeholders by:

- **Improving Efficiency and Effectiveness:** By evaluating the Council's operations and processes, internal audits identify areas where resources can be used more efficiently and effectively, leading to better service delivery.
- **Enhancing Risk Management:** Internal audits help identify and assess risks, providing recommendations to mitigate them. This proactive approach helps the Council avoid potential issues and ensures a more stable and secure operating environment.
- **Ensuring Compliance:** Internal audits supports the Councils adherence to relevant laws, regulations, and policies. This helps maintain legal and regulatory compliance, reducing the risk of penalties and enhancing the Council's reputation.
- **Promoting Accountability and Transparency:** By providing independent and objective assessments, internal audits promote accountability and transparency within the Council. This builds trust with stakeholders, including the public, and supports good governance practices.

Our work has identified specific added value benefits in key areas and in mitigating key risks. Notable benefits have been reported below:

Annual Follow Up Activity

We have completed follow up reviews to provide updated assurance to Officers and Members. This follow up activity is an opportunity to facilitate, review and expedite progress for individual audits, to inform Management of the current position and to integrate the outcomes into the organisation's strategic management arrangements.

We reviewed sixteen audits previously reported as Limited Assurance as shown on page 3. Of the sixteen reports, four have been uplifted to Reasonable Assurance.

Corporate Services and Financial Services

- Ongoing engagement in Business Improvement and Change programmes and projects.
 - Including examination and advice regarding the Council Redesign Services Review processes and supporting review templates.
- Payroll Cloud Implementation project.
- FIMS Upgrade project.
- Support to the IT Service review.
- Provision of Local Government articles and guidance.
- Attendance at and support to Finance, Ethics and Probity Group.
- Irregularity investigations.
- Attendance at and support to the Council's Information Governance Steering Group.
- Support to Subject Access Requests received by the Council.
- Support to Freedom of Information Requests received by the Council.
- Advice to the Council's Tax Compliance project group as required.
- ICT horizon scanning, including Cyber defences, Artificial Intelligence, and updates to National Cyber Security Centre (NCSC) guidance.
- Eight specific areas of advice as requested by Officers.
- Regular liaison with the Counter Fraud Officer.
- Engagement in the Payroll System implementation project.
- Resource for Counter Fraud investigation.

Pride in Place

- Support to the TDA onboarding project as required.

Children's Services

- Engagement in the Children's Services IT Systems Board.

Schools

- The SFVS Dedicated Schools Grant Chief Finance Office assurance statement submitted to the Department for Education.
- Ongoing delivery of the maintained schools plan.

Audit Coverage and performance against plan

This progress report compares the work carried out with the work that was planned through risk assessment and reported at Audit Committee in March 2024.

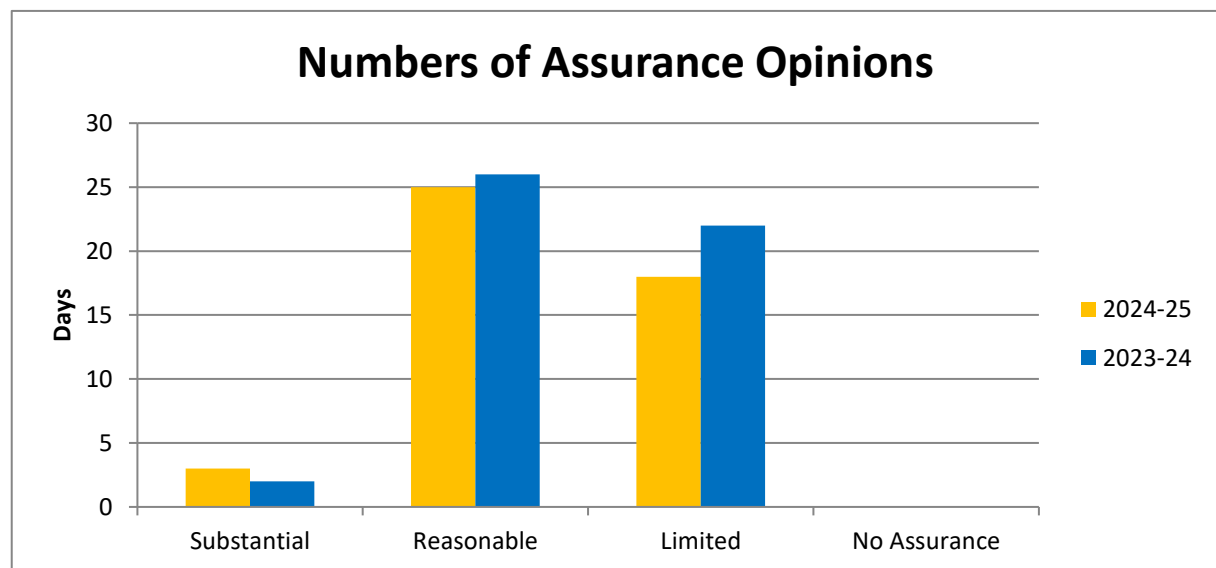
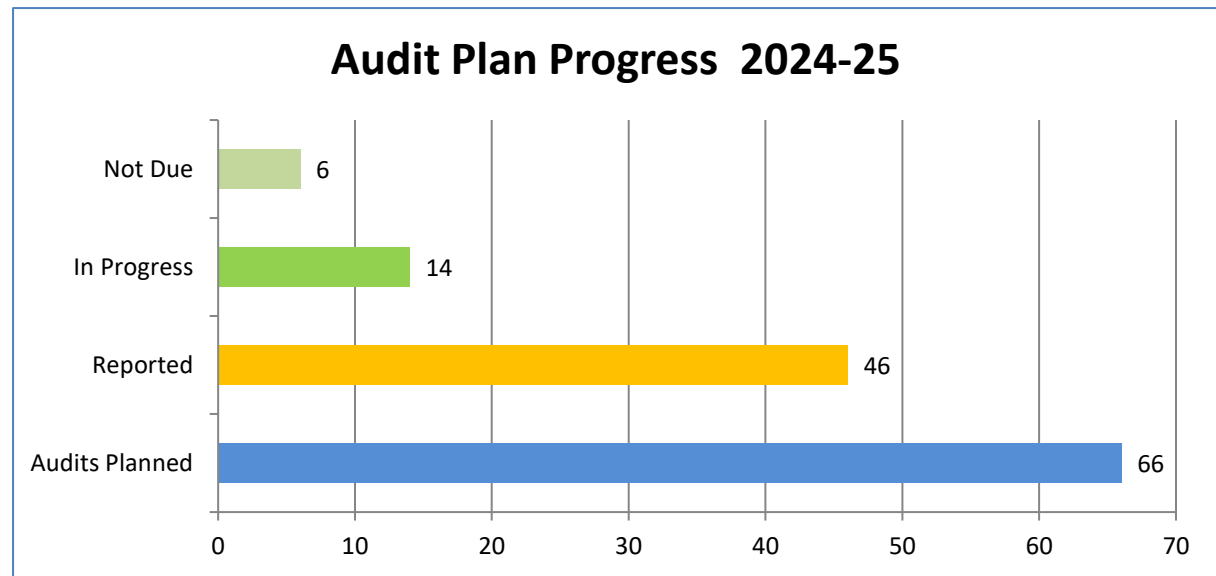
It presents a summary of the audit work undertaken, includes an interim opinion on the adequacy and effectiveness of the Authority's internal control environment and summarises the performance of the Internal Audit function. The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year. It gives:

- a comparison of internal audit activity during the year with that planned, placed in the context of internal audit need, and
- a statement on the effectiveness of the system of internal control in meeting the Authority's objectives.

The bar charts right show the status of audit progress against the plan and the numbers of assurance opinions to date compared with the previous year total. The charts demonstrate that progress is in line with expectations. There have been changes to the plan as shown on page 3.

There has been a growing trend in the sector towards more flexible audit plans to enable internal audit to be more responsive to changing risks, in turn maximising resource focus to clients' needs as and when needed – Agile Auditing. This principle has several benefits with ever changing priorities and related risks. We endeavour to ensure that sufficient coverage across the Authority is maintained to ensure that we can provide an assurance opinion.

This report provides a summary of the key issues reported and being addressed by management. Appendix 1 to this report provides a summary of the audits undertaken to date in 2024-25.



Irregularities Prevention and Detection

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. The Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice [Code of practice on managing the risk of fraud and corruption | CIPFA](#) states that "Leaders of public sector organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management". The government has formed the Public Sector Fraud Authority and the Home Office have now produced the guidance on the new Criminal Offence of [Failure to Prevent Fraud](#). The offence will become live 9 months after the publication of the guidance on 6th August 2025. It is important that councils have effective measures to reduce the risk and impact of fraud. Management can refer any suspected issues to the Corporate Fraud Officer, Internal Audit or the Finance, Ethics & Probity (FEP) Group.

Devon Assurance Partnership (DAP) regularly liaise with the Corporate Counter Fraud Officer; the key outcomes of this role are the identification and investigation of external frauds and integration of fraud related aspects into our audit work. In relation to the Council's Counter Fraud investigations, DAP are providing operational counter fraud investigative resource to support capacity in the Council's Counter Fraud team. We have also supported the review of the Council's Whistleblowing Policy.

The Cabinet Office now run the national data matching exercise (National Fraud Initiative – NFI) every two years. NFI activity on behalf of the Council is now undertaken by the Corporate Fraud Officer, with Internal Audit providing support in relation to Payroll matches.

We have continued to provide support to the Council's FEP Group; and undertake daily monitoring and management of the Council's Whistleblowing Inbox. We interrogate the Council's email archive system to support investigations, Freedom Of Information and Subject Access Requests.

Irregularities – During 2024/25 to date, Internal Audit have carried out or assisted in **11** new irregularity investigations. Analysis below:

Issue Classification *	2024/25 Number (part year)	2023/24 Number (whole year)	2022/23 Number (whole year)	2021/22 Number (whole year)
Poor Procedures	2	4	11	2
Employee / Member Conduct	6	7	1	7
Financial Irregularities	1	0	0	2
IT Misuse	0	0	1	1
Tenders & Contracts	2	1	0	2
Support to IG and HR Investigations	0	1	2	4
Total	11	13	15	18

* The 'Issue classification' title relates to the allegation made and may not be reflective of the investigation outcomes, which are summarised below:

- Support to IG and HR investigations - This work is limited to provision of emails from the archive solution, and we have no further involvement.
- Poor Procedures – Of the two matters raised, both have been concluded and management are taking actions forward.
- Employee / Member Conduct – Of the six matters, two were unsubstantiated, one was substantiated and action taken, and three are ongoing.
- Financial Irregularities – this related to a historical matter that had been resolved at the time.
- Tenders and Contracts – both investigations are currently ongoing.

Summary details as follows: - Some irregularity investigations are as a result of allegations made by whistle blowers. In addition, we have supported Information Governance and Human Resources with the provision of emails in relation to their investigations.

Freedom of Information / Subject Access Requests and Referrals made under the Unacceptable Behaviour Policy: -




We assisted with **three** requests under Freedom of Information and Data Protection requirements or the Unacceptable Behaviour Policy in 2024-25 to date.

Appendix 1 – Summary of ‘Limited Assurance’ audits for 2024/25 to date




Risk Assessment Key

- ANA - Audit Needs Assessment risk level as agreed with Client Management
- Client Request – audit at request of Client Senior Management




Direction of Travel Assurance Key

-  action plan agreed with client for delivery over appropriate timescales & is progressing.
-  action plan agreed and is being progressed though some actions are outside of agreed timescales or have stalled.
-  action plan not fully agreed, or we are aware progress has stalled or yet to start.
* report recently issued; assurance progress is of managers feedback at debrief meeting




CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity / Assurance Opinion	Audit Report Executive Summary	Direction of Travel Assurance
ICT and Information Governance IT Asset Management – Follow up (ANA – Critical) Status: Final  Limited Assurance	<p>We acknowledge the work that’s ongoing regarding physical security; supplier accreditation checks being progressed within Procurement project work; and the software update required to address asset information issues identified. In terms of wildcat purchasing, we understand that none are known to have occurred and as such any progression of management actions will be dependent on the purchasing activity occurring. Risk related to the lack of single inventory of IT assets and lack of discovery tools have been accepted and as such the risks remain. As above, we note the additional advised data security measures in place regarding the lack of a software utility to physically wipe devices prior to disposal. Whilst we have not audited the advised measures to confirm adequacy in mitigating the risk, given the nature of them they are highly likely to be effective.</p> <p>Given the nature of the accepted risks and that work remains ongoing in some areas, the level of assurance remains as ‘Limited’.</p>	
IT User Management – Follow up (ANA – Critical) Status: Final Limited Assurance	<p>Some progress has been made, in particular the quarterly review of domain admin accounts having been established; the further update to the Council’s System inventory; reinstating notifications to Managers regarding IG and DP training completion rates; improved identification of agency users; and some strengthening of the leaver process including provision of a Children’s Services agency report to IT.</p> <p>Although we note the progress, we understand that the IG and DP training completion rates have not yet seen an improvement and this will be subject to further review within the Council’s IG Steering Group. In addition, a key risk remains regarding Agency leavers, where, due to the use of BYOD (Bring Your Own Device), the weakness in the control framework (i.e., inconsistent notification to IT of agency leavers) increased the risk of agency leavers retaining 365 access to applications and data using their own devices after having left the Council. We note the ongoing investigation by IT into the technical feasibility of restricting access.</p> <p>We note and acknowledge progress made, however, a number of actions remain ongoing and the risk posed by Agency staff using their own devices remains. Until such time as the agency BYOD issue is resolved, the overall level of assurance remains as ‘Limited’.</p>	



CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity / Assurance Opinion	Audit Report Executive Summary	Direction of Travel Assurance
<p>Information Governance – Data Quality and Records Management (CCTV) - Follow Up (ANA – High)</p> <p>Status: Final</p> <p>Limited Assurance</p>	<p>Some progress has been made against the previously agreed management actions. Where actions were outstanding or remain ongoing we have agreed revised due dates for intended completion. Although progress is evident, given the residual risk remaining, the assurance opinion remains as Limited.</p> <p>From a wider Corporate IG perspective, progress includes policy and procedure review and update; inclusion of mandatory training within the IG Steering Group; and dedicated resource to support SAR process. The wider corporate IG actions that remain outstanding primarily relate to the data retention policy and schedule review and update, and review and update of the information asset register.</p> <p>The CCTV service have implemented stronger controls for internal sharing of CCTV data. The new CCTV and Security Manager was recently appointed, and has taken on responsibility for progressing the management actions specific to the CCTV service. It was pleasing to note that despite being new in post they had already undertaken some work to support IG compliance, including a review of physical access to the control room; and a review of i-learn training completed with intention to establish some protected time for staff to complete the training. The CCTV aspects of the retention schedule and information asset register will be progressed with the Head of IG.</p>	
<p>Key Financial Systems</p>		
<p>Group Company Loans (ANA – High)</p> <p>Status: Final</p> <p>Limited Assurance</p>	<p>This years Treasury Management (TM) Audit included a follow up of last year’s review of the control framework relating to group company loans.</p> <p>We still have concerns in relation to group company and commercial loans made by the Council. Whilst there is an ‘advised’ process and governance framework in place, last year’s sample testing found that there were inconsistencies in information held, with no single location to evidence compliance or support the loan lifecycle. Without a documented and adhered to governance framework, the Council is open to financial and reputational risk. This year’s audit found that there has been little progress against recommendations made last year. A revised management action plan with new target dates has been agreed.</p>	
<p>Corporate Services</p>		
<p>Health and Safety – Follow Up (ANA – High)</p> <p>Status: Final</p> <p>Limited Assurance</p>	<p>It is pleasing to note the progress made since the original audit, and the ongoing work to ensure compliance with Corporate Health and Safety requirements. Some actions remain outstanding or ongoing, and in some cases the responsibility for these lies outside of Corporate Health and Safety. Progressing the remaining areas may benefit from greater SLT involvement especially where the required actions rest with other departments; these include compliance with DSE completion, personal safety training, departmental workplace self- assessments, contractor H&S compliance, and establishing responsibility for H&S in public places. Although we acknowledge the progress made by the Corporate Health and Safety team and the plans in place to complete some more actions by January 2025, due to the nature and risks in this area, the level of assurance remains as ‘Limited’.</p>	



PRIDE IN PLACE

Risk Area / Audit Entity / Assurance Opinion	Audit Report Executive Summary	Direction of Travel Assurance
<p>Highways Commissioning (ANA – Medium)</p> <p>Status: Final</p> <p>Limited Assurance</p>	<p>The Highways Services delivered by SWISCo are supported by the Commissioning Agreement and detailed service level agreements, with the Highways Management Services SLA being in draft at the time of our work. We have made a small number of recommendations to strengthen the agreements and the associated service specific performance monitoring framework. The level of assurance is primarily due to the lack of transparency in charging and the dual SWISCo and Council role performed by the Head of Service for Highways, resulting in a lack of segregation and independence.</p> <p>There remains a need to clearly evidence Council approval of the annual Commissioning fee payable to SWISCo and its break down between the service areas. Although costing and charging processes are established and supported by the Mayrise and FIMS systems, there are transparency issues in these processes linked to charging methodologies used, and compounded by the structure of Highways roles within both SWISCo and the Council.</p>	
<p>SWISCo Commissioning – Follow Up (ANA – High)</p> <p>Status: Final</p> <p>Limited Assurance</p>	<p>It is pleasing to note that progress has been made, in particular we have been advised that an action tracker to support monthly monitoring of the SWISCo Strategic Work Programmes by the Lead Commissioner and SWISCo MD has been developed thereby providing records of the monthly meetings. In addition, we note the quarterly financial monitoring reviews, and the ongoing review of SLA service level standards including the key performance indicators, and the Commissioning Agreement, which we understand is due to be in place for April 2025.</p> <p>The first Lead Commissioner Performance report is due to be presented at the next Shareholder Panel due in February 2025. Progress has also been made in relation to the Commercial Services framework, in particular work request forms which include prompts to ensure value for money considerations are made and recorded, and work in this area remains ongoing.</p> <p>We have not been provided with evidence to support all aspects of progress, in addition to which a number of actions remain ongoing, albeit revised due dates have been agreed. Given the current status, the level of assurance remains as ‘Limited’.</p>	
<p>Planning Enforcement (ANA – High)</p> <p>Status: Final</p> <p>Limited Assurance</p>	<p>There is a published Enforcement Policy, but this is not supported by internal procedures to aid consistency in operational practice. We found that complaints were being logged and records supported the investigation and decision process. Performance management arrangements are insufficient and there is a growing backlog of cases that we were advised is due to capacity issues in the team and the number of complaints received annually (approximately 300). Only one third of the 2023-24 cases had been closed.</p> <p>Whilst investigation records were comprehensive, decisions recorded and notified to the complainant, there was no decision authorisation or quality assurance element in the process. Enforcement is included in the Council’s risk register, but the risk may not be specific enough to best support the service in mitigating their risks and is not routinely reported to Audit Committee as the score is below 16. Performance is not routinely reported to Overview and Scrutiny Board as part of the regular performance reporting framework.</p> <p>We note that the Overview and Scrutiny Board have received reports on the ‘Planning, Housing and Climate Emergency Service of the Future Project’ which includes Planning Enforcement.</p>	


PRIDE IN PLACE

Risk Area / Audit Entity / Assurance Opinion	Audit Report Executive Summary	Direction of Travel Assurance
<p>S106 and CIL – Follow Up ((ANA – High)</p> <p>Status: Final</p> <p>Limited Assurance</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 62</p>	<p>Progress has been made, in particular the improved governance arrangements between Planning and Finance, with regular meetings scheduled at an operational level, and inclusion of the Council’s S151 Officer in CIL spend panel meetings. We have not been provided with any supporting information to evidence the governance improvements, and as such have not yet been able to determine how embedded those arrangements are. We understand that significant work has been ongoing to improve data accuracy, and work is ongoing in relation to the review of outcomes arising from the work commissioned from the Obligations Office. In terms of compliance with regulations, project ownership and monitoring, we understand a framework is in place and supported by the new governance arrangements with Financial Services and the new Infrastructure Programme Officer role. The CIL debt enforcement policy remains outstanding as does the publication of the CIL charges including indexation information and development of local operational procedures.</p> <p>Knowledge sharing and training remains ongoing to address the key reliance risks in relation to the S106 / CIL support and system administrator roles, although the supporting local system administrator procedures still require development to further strengthen operational resilience. From an IT system contractual perspective, we have been advised that regular account meetings are now held with the system supplier, although again, we have not received any supporting evidence and are therefore unable to determine how embedded and effective these meetings are in ongoing management of the service provided by the supplier. There has been confirmation of the suppliers disaster recovery procedures and outcomes from system penetration testing, which identified some low risk issues. System user management arrangements have been strengthened. The contractual issue does still require further clarification to ensure compliance with Procurement regulations.</p> <p>Whilst we acknowledge and confirm progress made in relation to some areas where supporting evidence has either been provided or obtained during the follow up, a majority of improvements and actions have not been supported by evidence during the follow up and as such, whilst it is pleasing to note the advised progress, we are unable to change the overall level of assurance, which remains as ‘Limited’.</p> <p>We acknowledge the report from the Divisional Director, Planning, Housing & Climate Emergency, that was presented to Audit Committee on 27th November 2024 and includes actions and related risks in terms of the ongoing work to address the matters highlighted in our original audit. The position outlined aligns with the findings in our follow up activity.</p>	
<p>Harbour Income – Follow Up (ANA – Medium)</p> <p>Status: Final</p> <p>Limited Assurance</p>	<p>We acknowledge that recent Management changes within Harbours has impacted progress against the previously agreed management actions.</p> <p>A majority remain outstanding and revised due dates have been agreed. Given the status, the original risks remain and the overall assurance opinion remains as ‘Limited’.</p>	

PRIDE IN PLACE

Risk Area / Audit Entity / Assurance Opinion	Audit Report Executive Summary	Direction of Travel Assurance
<p>Events – Follow up of Food and Music Festival Recommendations (ANA – Medium)</p> <p>Status: Final</p> <p>Limited Assurance</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 63</p>	<p>We acknowledge the significant progress made by Commercial Services in developing and establishing a robust framework through the Transforming Procurement project to implement the Procurement Act 2023, due to come into effect in February 2025. New Contracts Procedures were approved by the Council on 22 February 2024 and the changes are being rolled out as part of the transforming procurement programme. There has been a Commercial Service restructure to further support the ongoing development. Commercial Services work remains ongoing, which when all fully embedded will provide a far more robust framework within which service area compliance with Procurement regulations can be managed and monitored.</p> <p>We note the strengthening of the financial checks processes, and a more robust waiver process supported by a weekly waiver meeting between Commercial Services and the Council’s S151 Officer. We also acknowledge the new 'start a procurement' form being introduced which instigates engagement with the Commercial Services team and captures advice on the advised route to market. We have made some further recommendations to support the ongoing development of the new procurement framework.</p> <p>Events team compliance with procurement processes has been problematic to discern given the unusual nature of the procurement activity related to the Food and Music Festival. We understand that Events usual procurement activity is engagement of various suppliers to support an event, rather than a single supplier to operate a single event. As such there is no current related Events procurement activity that would allow us to sample test to determine progress against all of the management actions arising from the original Food and Music Festival audit review. Therefore we have been unable to assess their compliance in a majority of areas and have had to record progress as ongoing. We noted a small number of areas of compliance in relation to recent events sampled, which demonstrated liaison with Commercial Services and use of the waiver process, however there are some aspects that could still be strengthened, such as retention of supporting records.</p> <p>We have given a Commercial Services assurance opinion of 'Reasonable Assurance' based upon the Procurement framework and the associated policies, procedures, guidance and records that have and continue to be established. Due to the above Events position, we have given Events an assurance opinion of 'Limited Assurance'.</p>	
<p>Climate Change – Follow Up (ANA – High)</p> <p>Status: Final</p> <p>Limited Assurance</p>	<p>Improvements have been made in relation to the governance aspects of Climate change within the organisation, and the climate risk management framework including the ongoing development of risk assessment tools. We note the updates to service plans which now include clear reference to climate risks / considerations and associated responsibilities, and the ongoing work with service areas to undertake the reviews and identify risks for inclusion within the Council’s Corporate risk register. There is greater SLT engagement, with the risk framework having been presented, and priorities for ongoing service reviews established by SLT. A forum is in place within which best practice can be shared; and implementation of a process to identify any related grant funding.</p> <p>In terms of visibility and raising the climate profile within the organisation, staff communications have been issued and training remains ongoing, albeit the uptake has been limited.</p> <p>The Council’s climate risk appetite and risk profile requires definition and we understand there is work planned to complete this aligned with the ongoing service area reviews. There remains the need to effectively stress test climate risks across varying climate change scenarios.</p> <p>Whilst we acknowledge the progress being made, given that a large proportion of work remains ongoing, the level of assurance remains as Limited.</p>	


CHILDRENS SERVICES

Risk Area / Audit Entity / Assurance Opinion	Audit Report	Direction of Travel Assurance
	Executive Summary	
SEND (Special Educational Needs and Disabilities) (ANA – High) Status: Final Limited Assurance Page 64	<p>SEND Education, Health and Care (EHC) processes are critical in supporting children and young people with special educational needs. Within public sector, there is recognition of the major concerns regarding sufficiency of provision for SEN children and young people, and associated funding. A recent Chartered Institute of Public Finance and Accountancy (CIPFA) and the Association of Local Authority Treasurers (ALATS) article stated that the nationwide SEND deficit currently exceeds £3 billion, projected to rise to £8 billion in 2026-27, presenting significant risks to Council's. There has therefore been a call on government to urgently reform the SEND funding system.</p> <p>Our audit reviewed the SEND project / improvement framework and sampled compliance with the EHC statutory assessment processes (including graduated response) and statutory timescales (excluding evaluation of outcomes for children and young people). A statutory assessment is a process where information is collected from families, child/ or young person and professionals (health and education) which allows the Council to gain a clear picture of the education, health and care needs of the child / or young person. An EHC needs assessment will not always lead to an Education, Health and Care Plan (EHCP). The Graduated Response is the process which must be carried out when there are concerns about a possible special educational need. If the full Graduated response process has been completed and there remain additional needs, then a Request for Statutory Assessment (RSA) may be made.</p> <p>In relation to the SEND project / improvement work, this is managed within a governance framework. We identified a number of areas where there was opportunity for improvement which will strengthen the project processes. These primarily focussed around the project aspects, including governance arrangements, decision making, scale of actions, and clarity regarding definition of ongoing project works. In relation to compliance with the EHC processes (excluding outcomes), our sample testing identified that whilst processes / steps were complied with and monitoring arrangements were in place, supported by an experienced team, compliance with statutory timescales was inconsistent. In addition, we noted that requests for statutory assessment are being made and subsequently refused as the graduated response processes have not been engaged with as they should be.</p>	


ADULT AND COMMUNITY SERVICES

Risk Area / Audit Entity / Assurance Opinion	Audit Report	Direction of Travel Assurance
	Executive Summary	
Adult Services Client Debt – Follow Up (ANA – High) Status: Final Limited Assurance	<p>We acknowledge formal engagement of a Transformation partner in the ASC Transformation programme. We note that Transformation partner is reviewing the agreed management actions related to formal debt management arrangements and as such this work remains ongoing. We noted progress made in relation to finance reporting from the Trust, which includes ASC client income, aged debt and bad debt provision, which are reviewed with the Trust and Council Officers, and reported to the ASC performance committee. Given the progress made in relation to reporting, we have uplifted the assurance opinion for one risk area within the report, however, whilst action to progress the formal arrangement with the ICO is ongoing, the overall assurance opinion remains as Limited.</p>	



ADULT AND COMMUNITY SERVICES

Risk Area / Audit Entity / Assurance Opinion	Audit Report	Direction of Travel Assurance
	Executive Summary	
<p>Service Delivery Interdependencies – Follow Up (ANA – High)</p> <p>Status: Final</p> <p>Limited Assurance</p>	<p>We understand that compilation of the framework to define interdependencies, review how they are managed across the organisation and monitor associated outcomes remains in progress, and that a supporting dependency tracker has been drafted. Once completed DOM will undertake periodic documented reviews, with the first session planned for Q3 2024.</p> <p>We have been further advised that the interdependency review of 2024-2025 service plans has been undertaken and some arising issues identified. We understand that these will form part of the items for consideration by DOM within the review process, with resultant outcomes being recorded within the dependency tracker once formally agreed and adopted.</p> <p>Whilst we recognise that progress has been and continues to be made, the overall assurance opinion remains as Limited due to the ongoing development of the dependency framework and supporting infrastructure.</p>	

Community and Customer Services

<p>Housing (Prevention Duty) (ANA – High)</p> <p>Status: Final</p> <p>Limited Assurance</p> <p style="font-size: 2em; font-weight: bold; color: black;">Page 65</p>	<p>An up to date Housing Strategy is in place, which acknowledges the challenges faced by the Council regarding homelessness, and the need to engage early on with those threatened with homelessness. A Housing Needs Service Plan is also in place and contains prioritised actions that are themed to provide synergy with the Council's Corporate Plan. Actions in the Service Plan relating to prevention are '<i>To continue to develop our prevention offer and explore alternative sources of funding and support to enhance this</i>' and '<i>Review and or development of appropriate prevention policies/procedures with partners</i>', both with target dates during this financial year.</p> <p>Some additional policies and practices were in development at the time of the audit and will need to be finalised in order to ensure that the framework for service delivery including prevention is fully established. Staff have recently undertaken refresher training with Shelter that should help with maintaining competencies and awareness of legislative issues.</p> <p>We found that only circa 20% of all cases are handled at prevention activity stage and this information forms part of the highlight report to senior management. Addressing homelessness at the prevention stage is preferable to both service users and the Council where effective prevention reduces cost to the Council. We acknowledge that the Service Plan incorporates intended actions relating to prevention, and that the draft Homelessness and Rough Sleeping Strategy that was submitted to Cabinet on 11 July 2024 contains priorities starting with Increasing Early Help and Prevention. Additional revenue budget has also been allocated for 2024-25 with the proviso that this be used in part for prevention.</p> <p>Our sample of cases selected from the period April 2023 to May 2024 provided mixed results, with some having been progressed in a timely way and suitably evidenced, and other cases (approximately 50% of our sample) which appeared to have stalled, or where the quality and reliability of the case records were in need of improvement. We identified aspects of the system design which may be adding to inconsistencies in records maintenance. Whilst we understand that quality assurance has been recently introduced, our sample findings indicate that it is not yet effective, or sufficiency embedded.</p> <p>Monitoring and performance data are produced routinely, and this is reviewed by service managers as well as selected Senior Management Team members, including the Chief Executive. This helps to ensure that current issues and concerns are escalated up to the most senior levels for consideration and decision making.</p>	
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ADULT AND COMMUNITY SERVICES

Risk Area / Audit Entity / Assurance Opinion	Audit Report Executive Summary	Direction of Travel Assurance
Cost of Temporary Accommodation – Follow Up (ANA – High) Status: Final Limited Assurance	<p>It is pleasing to note that some progress has been made against the original agreed management actions particularly in relation to the FIMS structure for Housing Services.</p> <p>Work remains ongoing to address the other issues identified; this includes ongoing development of the PBI dashboard to allow live tracking and the bringing in of the separately tracked Children's Service spend; the planned ASC system migration due in 2025-26 to allow inclusion of ASC spend; and ongoing examination of options to establish a corporate assessment of spend on homelessness and the provision of accommodation across the organisation in a shared performance reporting indicator on SPAR.</p>	
Vulnerable Renters – Follow Up (ANA – High) Status: Final Limited Assurance	<p>We have not received a full update on the original management actions, however we do note the management response provided when the original report was finalised which stated that the situation was unique at the time and that should one off funding be received in the future, the new detail code structure would be used.</p> <p>However, as we have not been provided with supporting evidence or a current status regarding any similar funding the level of assurance remains as 'Limited'.</p>	

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Appendix 2 - Professional Standards and Customer Service

Conformance with Public Sector Internal Audit Standards (PSIAS)

Conformance - Devon Assurance Partnership conforms to the requirements of the PSIAS for its internal audit activity. The purpose, authority and responsibility of the internal audit activity is defined in our internal audit charter, consistent with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*. Our internal audit charter was approved by senior management and the Audit Committee in March 2024. This is supported through external assessment of conformance with Public Sector Internal Audit Standards & Local Government Application Note.

The Institute of Internal Audit (IIA) are the key body involved in setting out the global standards for the profession which form the basis for the Public Sector Internal Audit Standards (PSIAS) and have been undergoing review and revision. The proposed new standards will take effect in the public sector in April 2025 and provide clarity and raise awareness of the audit committee's governance roles and responsibilities. [2024 Global Internal Audit Standards \(theiia.org\)](https://theiia.org)

Quality Assessment - the Head of Devon Assurance Partnership maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement is supported by a development programme.

External Assessment - The PSIAS states that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

An **external assessment** must be conducted at least once every five years by a suitably qualified, independent assessor. For DAP this was recently conducted in 2024 by an IIA qualified ex Assistant Director of an Audit Partnership.

The assessment result was that *“Based on the work carried out, it is our overall opinion that DAP generally conforms* with the Standards and the Code of Ethics”*. The report noted that *“As a result of our work, a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion”*. DAP is actively addressing these improvement areas.

* **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance are included in this development plan which is ongoing. Our development plan is regularly updated and links to our overall strategy, both of which are reported to the DAP Management Board and DAP Committee.

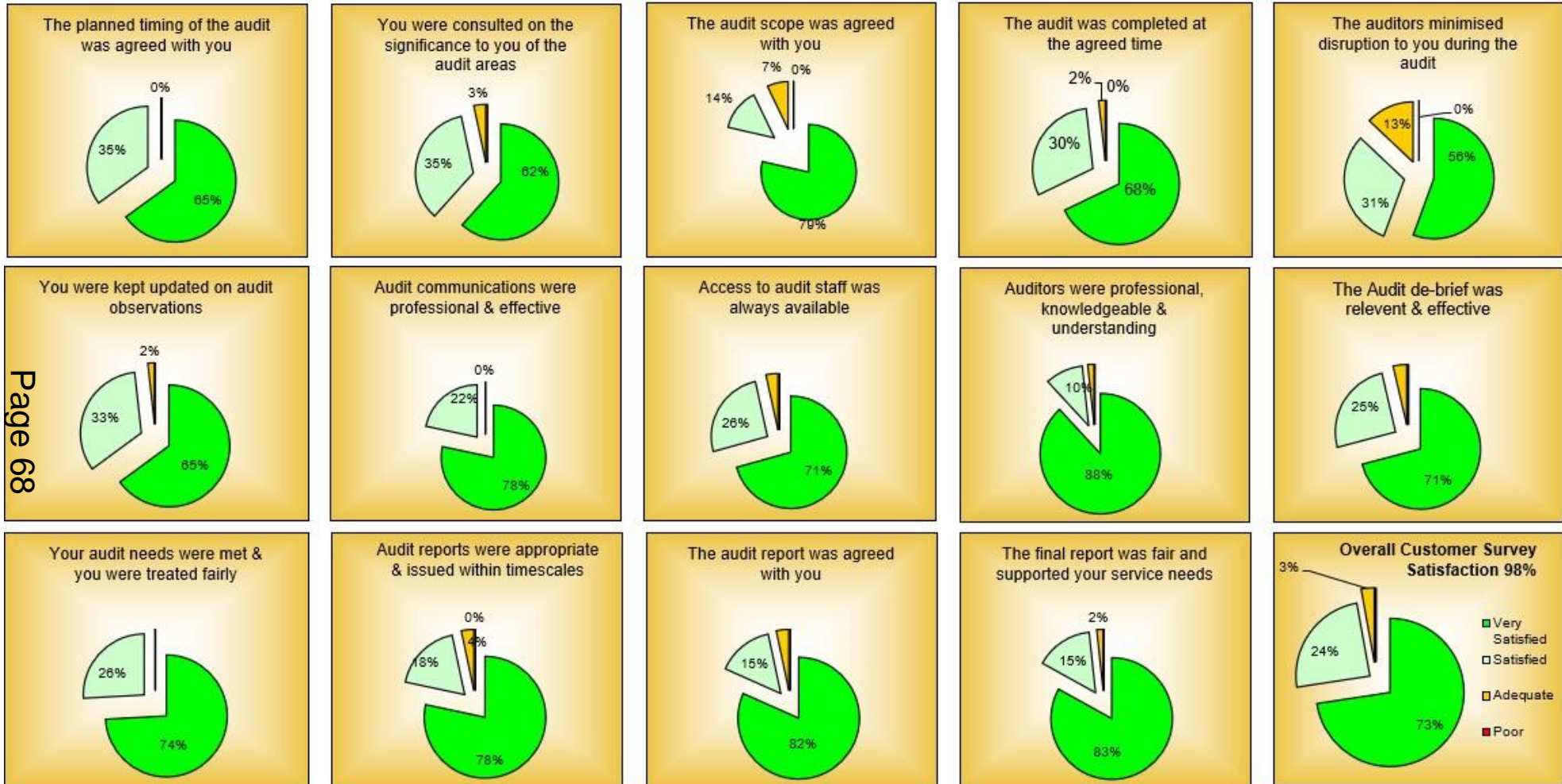
Customer Service Excellence (CSE)

DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during 2024. This accreditation is a UK-wide quality mark which recognises organisations that prioritise customer service and are committed to continuous improvement.

During the year we have issued client survey forms for some of our reports, and the results of the surveys returned were very good / positive. The overall result is very pleasing, with near 98% being "satisfied" or better across our services. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.

Appendix 3

Customer Survey Results April 2024 - December 2024



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Appendix 4 – Audit Authority

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Appendix 5 - Annual Governance Framework Assurance

The conclusions of this report provide the internal audit assurance on the internal control framework necessary for the Committee to consider when reviewing the Annual Governance Statement.

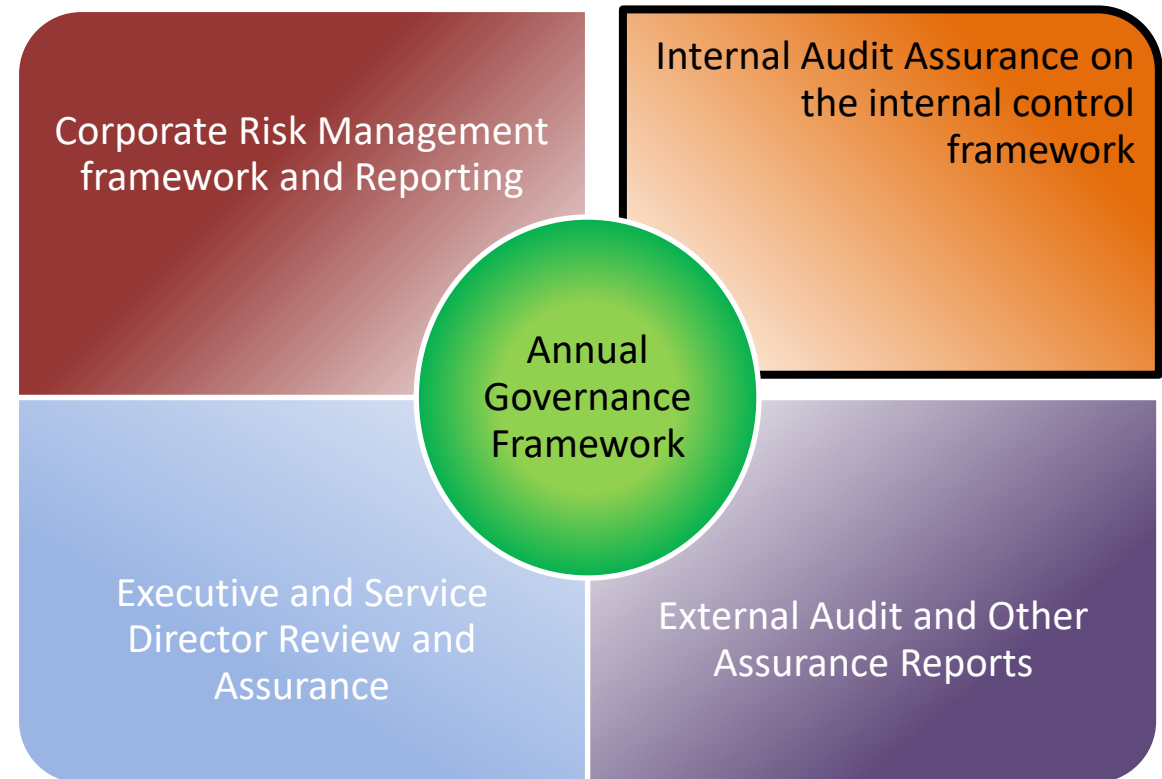
The Annual Governance Statement (AGS) provides assurance that

- the Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:-

- be prepared by senior management and signed by the Chief Executive and Chair of the Audit Committee;
- highlight significant events or developments in the year;
- acknowledge the responsibility on management to ensure good governance;
- indicate the level of assurance that systems and processes can provide;
- provide a narrative on the process that has been followed to ensure that the governance arrangements remain effective. This will include comment upon;
 - The Authority;
 - Audit Committee;
 - Risk Management;
 - Internal Audit;
 - Other reviews / assurance.

Provide confirmation that the Authority complies with CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*. If not, a statement is required stating how other arrangements provide the same level of assurance



The Committee should satisfy themselves, from the assurances provided by the Corporate Risk Management Framework, Executive and Internal Audit that the statement meets statutory requirements and that the management team endorse the content.

Appendix 6 - Basis for Interim Opinion

The Chief Internal Auditor is required to provide the organisation with an opinion on the adequacy and effectiveness of its accounting records and its system of internal control in the Council.

In giving our opinion, it should be noted that this assurance can never be absolute. The most that the Internal Audit service can do is to provide assurance, formed from risk-based reviews and sample testing, of the framework of governance, risk management and control.

This report compares the work carried out with the work that was planned through risk assessment; presents a summary of the audit work undertaken; includes an interim opinion on the adequacy and effectiveness of the Authority's internal control environment; and summarises the performance of the Internal Audit function against its performance measures and other criteria.

The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year to date. It gives:

- a statement on the effectiveness of the system of internal control in meeting the Council's objectives;
- a comparison of Internal Audit activity during the year with that planned;
- a summary of the results of audit activity and;
- a summary of significant fraud and irregularity investigations carried out during the year and anti-fraud arrangements.

The extent to which our work has been affected by changes to the audit plan are shown on Page 6.

The overall audit assurance will have to be considered in light of this position.

In assessing the level of assurance to be given the following have been taken into account:

- all audits completed during 2024-25 to date, including those audits carried forward from 2023-24;
- any follow up action taken in respect of audits from previous periods;
- any significant recommendations not accepted by management and the consequent risks;
- the quality of internal audit's performance;
- the proportion of the organisations audit need that has been covered to date;
- the extent to which resource constraints may limit this ability to meet the full audit needs of the Authority;
- any limitations that may have been placed on the scope of internal audit.

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Devon Assurance Partnership

The Devon Assurance Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high-quality assurance service provider. We work with our partners by providing a professional assurance services that will assist them in meeting their challenges, managing their risks, and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at Tony.d.Rose@devon.gov.uk

Confidentiality and Disclosure Clause

This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

Meeting: [Audit Committee](#)

Date: [25 February 2025](#)

Wards affected: [All](#)

Report Title: [LGA Corporate Peer Challenge – Progress Update](#)

When does the decision need to be implemented? [Not applicable](#)

Cabinet Member Contact Details: [Councillor David Thomas, Leader of the Council,](#)
david.thomas@torbay.gov.uk

Director Contact Details: [Anne-Marie Bond, Chief Executive, anne-marie.bond@torbay.gov.uk](#)

1. Purpose of Report

- 1.1 This report is to update members on the progress made on implementing the Local Government Association (LGA) Corporate Peer Challenge Action Plan, which was approved by Cabinet in July 2024.
- 1.2 At that meeting, it was agreed that, in order for members to maintain ownership and oversight, the implementation of the action plan should be monitored and reviewed by the Audit Committee.
- 1.3 Whilst this is will be the second time that the Audit Committee has had the opportunity to view the progress that has been made, Directors have collectively been working on delivering the Action Plan and reviewing progress on a monthly basis.

2. Reason for Proposal and its benefits

- 2.1 The proposals in this report help us to deliver our vision of a healthy, happy and prosperous Torbay by ensuring we respond to the LGA's feedback and deliver actions that continue to improve how the Council operates, thereby strengthening its ability to deliver all of the Community and Corporate Plan themes.
- 2.2 The reasons for the proposal and need for the decision are to comply with the decision taken by the Cabinet in July 2024 for the Audit Committee to monitor progress.

3. Recommendation(s) / Proposed Decision

1. That the progress on the implementation of the LGA Corporate Peer Challenge Action, as set out in Appendix 1 to this report, be

Appendices

Appendix 1: LGA Corporate Peer Challenge Action Plan

Background Documents

None

Supporting Information

1. Introduction

- 1.1 The Local Government Association (LGA) offers all councils a Corporate Peer Challenge once every five years. In April 2024, a team of seven peers visited Torbay and met with a range of officers, councillors and external partners/stakeholders. At the end of their review, the team provided feedback and made recommendations. The Feedback Report was accepted by the Cabinet and an Action Plan agreed which responded to the LGA's recommendations, to ensure the Council embraces the learning and feedback from our peers.
- 1.2 Directors and other officers across the Council have been actively working on implementing the Action Plan with monthly monitoring reports considered by at the Directors' Overview Meeting.
- 1.3 The progress made against each action is detailed in the Action Plan at Appendix 1.

2. Options under consideration

- 2.1 There are no options under consideration as this is an update report.

3. Financial Opportunities and Implications

- 3.1 The Action Plan is being delivered within the Council's existing resources.

4. Legal Implications

- 4.1 None

5. Engagement and Consultation

- 5.1 All members of the Council were invited to share their views with the Peer Team when they visited Torbay. The Council's Senior Leadership Team and other senior officers also provided views as well as partners.
- 5.2 The Feedback Report has been published on the Council and LGA websites and updates against the Council's action plan are published with the agendas for this Committee.

6. Procurement Implications

- 6.1 None

7. Protecting our naturally inspiring Bay and tackling Climate Change

7.1 Not applicable

8. Associated Risks

8.1 The main risk is non-delivery against the Action Plan which would mean that the Council is not responding the recommendations of the LGA. This risk is mitigated through the monthly monitoring which is taking place collectively by the Council's Directors.

9. Equality Impact Assessment

9.1 The LGA Corporate Health Check Feedback Report and resulting action plan provides indirect benefits for all its residents through the improvements identified.

10. Cumulative Council Impact

10.1 Delivery against the Action Plan will be undertaken alongside other programmes of improvement work. All of these programmes aim to deliver the ambition within the Council's Community and Corporate Plan.

11. Cumulative Community Impacts

11.1 None

LGA Corporate Peer Challenge - April 2024

Action Plan

Note: Progress against the Action Plan is due to be considered by Audit Committee on 29 January (updates by 16 January please)

Ref	Recommendation	Action	Lead	Completion Date	Progress Update	Impact	
1	Adopt a council Business Plan agreed on a cross-party basis that outlines a clear set of strategic political priorities	1.1	Seek cross party input through Council Leadership Group	Director of Corporate Services	COMPLETED	The Overview and Scrutiny Board considered the draft Business Plan and further discussions were held with representatives of the other Groups on the Council prior to the Plan being considered by the Cabinet.	Clear focus for the administrative period that aligns to the long-term Corporate Plan enabling the Council to prioritise limited resources to address statistically proven areas of need and/or development opportunities. This moves us towards reaching our goal of being a healthy, happy and prosperous authority area.
Page 77		1.2	Approval of the Council Business Plan by Cabinet	Cabinet	COMPLETED	The Council Business Plan was agreed by the Cabinet at its meeting on 11 June 2024.	Clear focus for the administrative period that aligns to the long-term Corporate Plan enabling the Council to prioritise limited resources to address statistically proven areas of need and/or development opportunities. This moves us towards reaching our goal of being a healthy, happy and prosperous authority area.
		1.3	Determine monitoring for Business Plan delivery	Director of Corporate Services	COMPLETED	The refreshed quarterly Corporate Performance Report provides information on the milestones met and whether the actions within the Plan are on track to be delivered. The Report also provides information on the Council's performance against the indicators within the Council Business Plan and the Community and Corporate Plan. The reports are considered by the Senior Leadership Team, Cabinet members and the Overview and Scrutiny Board.	A detailed performance monitoring report, made up of quantitative and qualitative KPIs as well as project progress highlights and RAG scores ensures that teams maintain focus on the aims and objectives agreed in the Business Plan and Corporate Plan. Likewise, it enables the administration and officers to be held to account against the agreed KPIs and milestones.
		1.4a	Review of Service Plans to ensure Council Business Plan actions are reflected	All Directors	COMPLETED	Mapping has been completed to ensure that all the Council Business Plan actions are appropriately reflected within Service Plans.	The aims and objectives in our top level plans are embedded throughout the organisation to strengthen focus and commitment to delivery.

Ref	Recommendation	Action	Lead	Completion Date	Progress Update	Impact	
		1.4b	Review of Council Business Plan to ensure all actions are reflected in Services Plans	Director of Corporate Services	COMPLETED	The actions within the Council Business Plan have been mapped against the actions within the Council's Service Plans.	The aims and objectives in our top level plans are embedded throughout the organisation to strengthen focus and commitment to delivery.
2	The very small number of elected members from across the council chamber whose behaviours are impacting so negatively must ask themselves what they want their legacy to be and find ways of working effectively in a context of No Overall Control	2.1	Group Leaders to reflect on LGA advice within their Groups	Support from Chief Executive and Monitoring Officer	On-going	External support has been sourced in order to facilitate discussions within and between political groups. The external support has reached its conclusion, and Group Leaders are now working proactively together to formalise different working arrangements.	That the Council is able to function effectively without the impact of negative behaviours.
3	Gear up fully to deliver the proposed Combined County Authority arrangements	3.1	Consider the recruitment of the Torbay Council devolution "co-ordinator" for 12 months	Director of Corporate Services and Director of Pride in Place	September 2024	This has been considered and due to timescales has been discounted. Resources are being aligned to ensure Torbay Council are maximising the opportunities available post go-live.	Significant short-term pressure on resource may impact other priorities. This risk is being managed through regular work programme reviews for those staff involved.
Page 78		3.2	Agree internal arrangement for staffing and backfill/recruit as required	Director of Corporate Services	September 2024	Resources are being aligned to ensure Torbay Council are maximising the opportunities available post go-live.	Significant short-term pressure on resource may impact other priorities. This risk is being managed through regular work programme reviews for those staff involved.
		3.3	Continue to work with Devon County Council on the establishment and implementation of the Devon and Torbay Combined County Authority	Chief Executive	By 31 March 2025	Absolute focus is continuing to ensure that the CCA is established, and opportunities are maximised across Devon and Torbay.	That the Council is able to benefit from the devolution of powers.
		3.4	Establish Devon and Torbay Combined County Authority	Chief Executive	By 31 March 2025	The expectation is that the Devon and Torbay Combined County Authority will be established early in 2025. The Statutory Instrument has been laid before Parliament which would see its creation by March 2025	That the Council is able to benefit from the devolution of powers.
		3.5	Review the Local Transport Plan, identifying linkages to a future Devon and Torbay Local Transport Plan and associated offers and asks	Director of Pride in Place	December 2024	Torbay Council and Devon County Council's Cabinets have both agreed a draft Local Transport Plan for consultation. Consultation commenced on 1 October 2024. It is hoped that, subject to feedback from the consultation, a new Local Transport Plan will be in place in early 2025.	

Ref	Recommendation	Action	Lead	Completion Date	Progress Update	Impact	
		3.6	Review the Economic Growth Strategy, identifying linkages to a future Devon and Torbay Economic Strategy and associated offers and asks (including around training, skills, employment and business support)	Director of Pride in Place	December 2024	A review of the Economic Growth Strategy Action Plan is currently underway and will be shared with Cabinet members in the coming weeks.	
4a	Dedicate greater time and space for thinking and collaboration across the organisation to inform strategic direction and focus on outcomes	4.1	Develop proposals to determine how this will be facilitated, following engagement with colleagues across the Council	Director of Corporate Services and Director of Adult and Community Services	COMPLETED	DOM and SLT think space sessions are live, with DOM sessions fully embedded and SLT sessions programmed. Time is set aside at both levels of managers' forums to collaborate on key areas of change with agendas being fed through DOM and SLT as well as through heads of service.	More time for wider, strategic, thinking has already had a positive impact after the first two SLT sessions which have enabled a more through understanding and specific actionable outputs for the matters considered. It is expected that continuation of this approach will enable the organisation to mature across the areas of focus.
Page 79		4.2	Establish periodic check and challenge to ensure that this is embedded as our approach moving forward	Director of Corporate Services and Director of Adult and Community Services	COMPLETED	Agreed approach at DOM and check and challenge programmed quarterly on DOM from August onwards.	More time for wider, strategic, thinking has already had a positive impact after the first two SLT sessions which have enabled a more thorough understanding and specific actionable outputs for the matters considered. It is expected that continuation of this approach will enable the organisation to mature across the areas of focus.
		4.3	Review the Decision Making Framework and Internal Governance Meeting Structure (and associated processes) in order to empower Directors and their teams	Director of Corporate Services to develop proposal	COMPLETED	Re-configured meeting time allocations to give focused time on operational matters and greater space for strategic thinking with SLT. Reduced requirement for covering reports for cyclical agenda items. Empowered directorates to own report deadlines and quality assurance, increasing accountability. Improved information flow through directors' commitment to increase flow down of broader information sets from SLT and DOM.	Changes have reduced time spent on governance/report writing across the organisation. Ownership has increased. Assessment of information flow through the Council management levels is yet to be undertaken.
		4.4	Ensure that governance arrangements are followed in order to free up time and space for greater collaboration within DOM, SLT and CAD, including effective use of the Member Casework System	All Directors	On-going	A greater remit has been given to Directorate Management Teams in order to manage governance requirements in order to free up time and space for greater collaboration.	The improved way of working is still embedding, but feedback to date is positive.

Ref	Recommendation	Action	Lead	Completion Date	Progress Update	Impact	
4b	Develop a more distributed model of leadership	4.5	Ensure the Member Development Programme provides support for councillors' role as ambassadors for their local areas	Director of Corporate Services	31 July 2024	A proposal is being considered to formalise 'Councillor Conversations,' however this is being held to allow the cross party relations work to be undertaken, and will be tested with Members thereafter in order to finalise and roll-out.	
		4.5	Linking to the Our People Strategy Action Plan, consider the potential to develop a Head of Service support programme	Chief Executive	30 September 2024	The Managers Framework is being launched in January 2025. There was a delay due to significant pressures within HR.	That Managers from across the organisation are well supported to be effective Managers (irrespective of service speciality) through the identification and delivery of tailored support and training.
5	Ensure the People Strategy is collectively owned and led from the top	5.1	Run senior management session to help facilitate knowledge, co-design actions and increase ownership	Director of Corporate Services	COMPLETED	A Managers Forum was held in June 2024 where managers worked together to identify actions to help embed the Our People Strategy.	Actions are now being managed through the Our People Project to ensure council wide ownership.
Page 80		5.2	Launch People Strategy with associated Communication and Engagement Plan	Director of Corporate Services	COMPLETED	A Communications and Engagement Plan is in place and is being rolled out. The Staff Awards have been launched with the ceremony held in September 2024.	Impact of Staff Awards was very positive, helping to significantly improve morale. The plan will be followed to ensure council wide ownership.
		5.3	Review the leadership and membership of the Our People Board to drive delivery of the Our People Strategy Action Plan (with the Chief Executive as Senior Responsible Officer)	Chief Executive	COMPLETED	The Chief Executive took over SRO responsibility in July 2024. A review of the membership of the board has taken place and a wider staff engagement is now in place following opportunities for colleagues to partake. The Action Plan has been refined to ensure focussed delivery with clear milestones and expectations.	That the Our People Board are truly representative and impactful for the delivery of the Our People Strategy.
		5.4	Deliver the Our People Strategy Action Plan including: <ul style="list-style-type: none"> The establishment of staff awards Recognising, celebrating and communicating everyday successes and achievements Phase 2 of the Internal Engagement Strategy 	Chief Executive	On-going	The Chief Executive took over SRO responsibility in July 2024 and now chairs meetings of the Project Board. A refinement of the action plan has taken place, with significant work already undertaken. The first staff awards took place on 26 September 2024 and were received really positively by staff across the Council.	The the Action Plan is delivered to ensure that as a Council we never lose the focus on supporting our staff as our key asset
6	Ensure corporate leadership and ownership to develop a	6.1	Deliver the Equality, Diversity and Inclusion Action Plan	Director of Public Health and Director of	On-going	A draft action plan has been prepared and Emerging Issues paper shared with Cabinet. Briefings are taking place on a quarterly	Greater understanding of our obligations and the benefits. Check and challenge against

Ref	Recommendation	Action	Lead	Completion Date	Progress Update	Impact	
	clearer focus on equalities, diversity and inclusion		Corporate Services		basis with the portfolio holders and champion. Work is progressing with the first staff networks in place. Consultation is due to take place on the Draft Inclusion Strategy in early 2025.	the progress we are making towards greater EDI maturity.	
		6.2	Establish mechanism to report on progress against the Action Plan to Lead Members and DOM on a quarterly basis	Director of Corporate Services	COMPLETED	Quarterly report programmed on DOM and CAD from September 2024 onwards. First CAD agenda item will confirm onwards flow of this and future reports.	Greater understanding of our obligations and the benefits. Check and challenge against the progress we are making towards greater EDI maturity.
		6.3	Update the Equality, Diversity and Inclusion Action Plan on an annual basis taking account of equality data and feedback from resident and staff engagement	Director of Public Health and Director of Corporate Services	From January 2025	Consultation is due to take place on the Draft Inclusion Strategy in early 2025. Progress against the strategy will be monitored quarterly by senior management. This will be complemented by an annual report, which is published to meet our Public Sector Equality Duty reporting requirements.	
7	Reflect on current approaches around process and system to ensure risk is balanced with outcomes and the necessary assurance is received on what matters most	7.1	Revise and embed the Performance Management Framework	Director of Corporate Services	COMPLETED	A new style performance report was prepared for Q1 with positive feedback from SLT and members. This was refined for Q2 and will be further refined for Q3. The Performance Management Policy and Framework has been approved.	Post approval, the Performance Management Framework now requires embedding in BAU. To date, the use of the new style reporting is enabling better tracking of performance and progress against our top-level plans.
		7.2	Review current approach, testing against guidance and best practice from elsewhere, and determine correct approach for our circumstances	Director of Finance and Director of Corporate Services	COMPLETED	Having conducted the review, the Performance Management Policy has been redrafted taking account of legislative requirements, LGA guidance and best practice from across the Country. The Policy now forms part of a Framework which assists officers in ensuring that performance management is embedded within the organisation.	Post approval, the Performance Management Framework now requires embedding in BAU. To date, the use of the new style reporting is enabling better tracking of performance and progress against our top-level plans.
		7.3	Make best use of data and insight to drive improved outcomes,	Director of Public Health	30 September 2024	The 2024/25 JSNA main narrative and JSNA Ward profile are updated annually and available at Joint Strategic Needs Assessment (JSNA) and Ward Profiles - Torbay Knowledge and Intelligence (southdevonandtorbay.info) In addition to this there are two-page profiles providing summaries on topical issues as well as Annual Reports as Director of Public Health Public Health - Torbay Council All these resources are disseminated to key teams and partners and regular discussions	

Ref	Recommendation	Action	Lead	Completion Date	Progress Update	Impact	
					at SLT, DOM and CAD where data and intelligence are discussed with implications for services.		
8	Deliver a 'reset' of Overview and Scrutiny organisationally and politically	8.1	Review the draft Local Protocol for Overview and Scrutiny taking account of the Statutory Guidance issued in April 2024	Director of Corporate Services and Director of Adults and Community Services	COMPLETED	Review undertaken and changes approved at Council Meeting in September 2024 to ensure relationship and responsibilities are clearly defined and expectations are set for all parties in accordance with the Statutory Guidance.	Members of the Overview and Scrutiny Board are now operating under the updated approach. This enables better working relationships and refined outputs.
		8.2	Consider further, potentially external, training requirements for members and officers in relation to overview and scrutiny	Director of Corporate Services and Director of Adults and Community Services	September 2024	The training programme has been reviewed and enhancements are to be rolled out post consultation with stakeholders, which is planned post Member facilitation sessions. We will be working with Devon County Council on Scrutiny training for the new Combined County Authority.	
		8.3	Adopt through Council and embed new changes	Director of Corporate Services	COMPLETED	Adopted at Council in September 2024.	Members of the Overview and Scrutiny Board are now operating under the updated approach. This enables better working relationships and refined outputs.
Page 82	Create the space for cross-party consideration of matters relating to Constitutional and elected member governance	9.1	Review ways of working to ensure that the overall structure provides the required opportunities for all issues to be addressed	Chief Executive	31 July 2024	Following the facilitated sessions on cross party working Group Leaders are now working proactively to ensure that the Council has the best governance framework in place to support all future administrations. The outcome of this is due to be presented to Council in February 2025.	That all members of the Council are appropriately engaged and informed on Council business.
		9.2	Council Leadership Group to agree approach	Chief Executive	31 July 2024	Following the facilitated sessions on cross party working Group Leaders are now working proactively to ensure that the Council has the best governance framework in place to support all future administrations. The outcome of this is due to be presented to Council in February 2025.	That all members of the Council are appropriately engaged and informed on Council business.
10	Maintain the focus on the nine areas of significant spend and demand pressure	10.1	Ensure that there continues to be focus on these areas, with report to Cabinet established	Director of Finance	On-going	Financial Sustainability Plans are being closely monitored by the Chief Executive and Directors. These plans have been reviewed and updated as part of the 2025/26 budget setting process.	Providing longer term financial sustainability for the Council. The 2025/26 draft revenue budget has been set without the need for setting savings targets and has limited the amount of growth that the Council has had to commit to key service demand areas such as homelessness and Children's Social Care placements.
11a	Consider the approach to the council's buildings and accommodation	11.1	Review previous initiatives in relation to office accommodation to	Director of Pride in Place and Director of	COMPLETED	DOM have considered the PID and the Capital Asset Management Group will be using the uplifted budget to manage the	A firm position has been arrived at on the Town Hall campus: Maintain as is, carry out backlog maintenance as budget allows while

Ref	Recommendation	Action	Lead	Completion Date	Progress Update	Impact
		<p>assess the following against the Target Operating Model:</p> <ul style="list-style-type: none"> • cost/benefit • response to staff survey • current contractual arrangements for staff, including the requirement for monthly team anchor days 	Corporate Services		<p>Town Hall campus as is while grant opportunities are explored that will benefit the organisation and communities. It is only with significant grant funding that major works will be viable.</p> <p>Contractual arrangements for staff have been reviewed and are being updated in accordance with the reviewed and accepted policy. This is being done in tranches and will be complete by the end of the 2024/25 financial year.</p>	<p>grant funding is identified that will shape the future use of the buildings for the benefit of staff and our communities.</p> <p>Likewise, we have given ourselves assurance that our policies that effect use of our corporate assets are fit for purpose and are flexible to suit the wide range of business requirements across the Council.</p>
		11.2 Subject to 11.1, agree the Council's approach to its buildings and accommodation	All Directors	COMPLETED	DOM have considered the PID and the Capital Asset Management Group will be using the uplifted budget to manage the Town Hall campus as is while grant opportunities are explored that will benefit the organisation and communities. It is only with significant grant funding that major works will be viable.	A firm position has been arrived at on the Town Hall campus: Maintain as is, carry out backlog maintenance as budget allows while grant funding is identified that will shape the future use of the buildings for the benefit of staff and our communities.
Page 83		11.3 Determine the Council's wider approach to our estate, including the need or otherwise for increased customer access points	Director of Pride in Place and Director of Adult and Community Services	December 2024	Appointments are now available with the Housing Options Team within the Children's Services Reception in Electric House, Torquay. The Family Hubs also provide an opportunity for more face-to-face interaction, including the registration of births.	The council offers a more flexible and accessible approach to Housing Options, which is particularly helpful to people who are rough sleeping.
		11.4 In light of 11.1-11.3, review the Council's Asset Management Strategy and Policy	Director of Pride in Place	December 2024	Reviewed with Estates Team, the existing strategy and policy continues to be appropriate. Some minor amendments to update for community plan / business plan to be considered with Governance Support to ensure appropriate decision making.	The holding of, and investment in, assets is being challenged against the Asset Management strategy with an initial proposed list of assets for disposal presented to Cabinet and Directors for consideration in January 2025.
		11.5 Consider how a One Bay Estate approach could be used to place-shape and optimise the use of assets across Torbay	Director of Pride in Place	2025/2026	Preliminary discussion with key Cabinet members, agreement that this is not a priority action for this year given the wider requirements of this Action Plan and the Council Business Plan.	With the approach agreed in 11.1 it is hoped that the Town Hall Campus will offer opportunities in this area once suitable grant funding has been identified.
11b	Take stock of the learning, challenges and opportunities around the 'return to the workplace'	11.6 Review the Flexible Working Policy to collectively consider the learning, challenges and opportunities that exist as return to the workplace continues	Director of Corporate Services	COMPLETED	Policy is fit for purpose and the balance of business and staff needs can be managed departmentally within the policy. Review of the use of our assets may provide more opportunity for making our offices attractive to greater occupancy.	Staff body have the ability to work flexibly within the constraints of the business units in which they role resides, thus ensuring best possible outcomes for staff and customers.

Ref	Recommendation	Action	Lead	Completion Date	Progress Update	Impact	
12	Enhance the corporate approach to transformation	12.1	Consider extension of current temporary resource to safeguard future delivery timescales and consider extra project leads and business analysts to increase rate of change	Director of Finance	COMPLETED	Resource in Business Improvement and Change Team has been extended in line with project end forecasts. Extra resource was considered, however, due to the pace of change that the organisation can tolerate without detrimental impact on statutory service delivery, this was discounted.	
		12.2	Consider Internal Audit recommendation of Portfolio Manager (or Programme Manager) role and associated support requirements to enable a PMO approach based on cost/benefit	Director of Finance	COMPLETED	This was considered, but the cost benefit was not advantageous for an organisation of our scale. To mitigate, as well as rolling out a standardised project management methodology, we are using digital solutions to track and manage projects and programmes at a portfolio level within the transformation portfolio. Capital projects will continue to be managed through established governance.	Stronger governance has been implemented with regards to approving and spending for capital projects. Senior Officer and members oversight is maintained through the Capital Growth Board.
		12.3	Complete the Service Review of Corporate Services (to include consideration of silos of project management being brought together under one Programme Management Office)	Director of Corporate Services	April 2025	Service Review is underway and on schedule for completion in April 2025, to note, any HR change process arising from the review will start at this point, not finish.	
		12.4	Adopt standardised project methodology across the Council	Director of Corporate Services and Director of Pride in Place	COMPLETED	All products rolled out. Promotion in staff channels prior to deadline completed.	Roll out enables greater consistency of robust project management practices across the organisation.
13	Evolve the role and ways of working of corporate services	13.1	Complete the Service Review of Corporate Services to appraise Corporate Services against our Design Principles and our progress towards the Target Operating Model (see also 12.3)	Director of Corporate Services	April 2025	The review has commenced in IT Services and Health & Safety. Other services will follow to meet the completion date.	
		13.3	Support all directorates to have "Brilliant Basics" in place	Director of Corporate Services	December 2024	Exercise agreed with SLT and guidance shared in July, for roll out across all teams. This is now completed in some directorates.	Outputs from the exercises have enabled numerous small improvements, some are still be concluded.
14	Undertake the necessary functional realignments in relation to the TDA	14.1	Review the organisational structure of the Council to	Director of Pride in Place	November 2024	Work is well progressed and is now being taken forward by the Chief Executive after a	

Ref	Recommendation	Action	Lead	Completion Date	Progress Update	Impact
		appropriately reflect the functions previously undertaken by TDA, including ensuring that there is strengthened delivery around economic regeneration and growth	(Chief Executive)		short delay due to the temporary absence of the Director of Pride in Place.	
		14.2 Ensure that the working practices and processes that apply to assets, projects and other services previously delivered through TDA are consistent with other Council areas	Director of Pride in Place (Chief Executive)	November 2024	The structure referenced in 14.1 will assist with this action. In the temporary absence of the Director of Pride in Place, the Chief Executive is working hard to strengthen the governance arrangements around capital projects.	
15	Dedicate the necessary resource to develop the housing strategy and ensure the delivery of it is corporately owned	15.1 Complete preparation of Housing Strategy Delivery Plans	Director of Pride in Place (Divisional Director – Planning, Housing and Climate Change)	September 2024	Cabinet and group leaders have been engaged with feedback used to revise the Delivery Plan where appropriate.	
		15.2 Assess resource requirements against Delivery Plans and recruit as indicated	Director of Pride in Place and Director of Finance	September 2024	Aligned to the above, approval given to recruit to the two roles already on establishment and two further roles set out in delivery plan.	
		15.3 Develop closer working relationship with Homes England, identifying linkages to a future Devon and Torbay housing approach/capital programme and associated offers and asks	Director of Pride in Place	Ongoing	Meetings with Homes England have been held between with the Cabinet Member, the Director of Pride in Place and the Chief Executive. Further meetings are planned.	
		15.4 Deliver the actions within the Council Business Plan in relation to homelessness	Director of Adult and Community Services	December 2024	The Homelessness and Rough Sleepers Action Plan is being drafted and will incorporate these actions. The draft Action Plan is due to be considered by CAD. The formal planning process will commence when the strategy consultation period ends.	

Ref	Recommendation	Action	Lead	Completion Date	Progress Update	Impact
		15.5 Delivery against targets and mitigations against risk to be considered through Performance Reports and Risk Reports	Director of Pride in Place, Director of Adult and Community Services and Director of Corporate Services	COMPLETED	Framework for this has been completed. On-going monitoring now required as business as usual.	Now embedded in BAU to ensure appropriate oversight.

Meeting: [Audit Committee](#)

Date: [25 February 2025](#)

Wards affected: [All](#)

Report Title: [Counter Fraud and Error Update](#)

When does the decision need to be implemented? [Not applicable](#)

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Key points and Summary

- 1.1 This report updates the Audit Committee on counter fraud activity undertaken for the period of 1 April 2024 to 30 September 2024, including progress against the 2024/2025 Counter Fraud Plan.
- 1.2 The report is further intended to support members in obtaining assurance the council has robust processes in place to prevent, detect and deter fraud and error.
- 1.3 The Corporate Counter Fraud and Error team deliver a service across the Council which aims to prevent, detect, and deter fraud, error and criminality related to fraud. The team investigate allegations of fraud, plan and take part in counter fraud campaigns (e.g. the National Fraud Initiative), test systems, undertake fraud awareness activities with staff and the public, maintain and update the counter fraud framework and related policies.
- 1.4 Though this activity, financial losses are prevented, additional revenue is identified for recovery, income is secured through the supply of services, and redress sought in cases of civil or criminal offending.

2 Introduction

- 2.1 Fraud is a significant risk to the public sector. The government currently estimates that fraud and error in the public sector costs between £33 and £58 billion per year, excluding covid-19 schemes.
- 2.2 The National Fraud Authority estimates that fraud costs the public sector around £21 billion each year, which is 55% of the total fraud loss in the UK
- 2.3 Fraud remains one of the most persistent and evolving challenges, the importance highlighted by the ongoing efforts to reduce fraud and error losses. On 3rd August 2022 the government established the Public Sector Fraud Authority and last year the Prime Minister announced the Government would be introducing a new Fraud, Error and Debt Bill to tackle fraud in the Social Security system.

- 2.4 The media report a UK Secondary School was forced to close on 3 June 2024 due to a significant cyber-attack and Leicester City Council confirmed on 3 April 2024 that confidential data had been published online by a known ransomware group.
- 2.5 Torbay continues to receive high profile funding for local projects such as but not limited to; £7,000,000 for Paignton Coastal Defence, £8,000,000 for Oldway Estate, £3,000,000 for Accommodation Repurposing and £200,000 Towns Plan
- 2.6 The fraud team receive alerts to known frauds experienced by Local Authority across the UK. Often, more than one Local Authority is targeted by the same fraudsters. This demonstrates fraudsters have no geographical or political boundaries.
- 2.7 Torbay Council recognises it is at risk of fraud. Hence fraud is recognised as a corporate risk
- 2.8 The Counter Fraud and Corruption Policy sets out the expectations of Torbay Council and describes what is meant by fraud bribery and corruption and outlines the responsibilities of Councillors, Directors, Managers, and employees.
- 2.9 The Counter Fraud Manager is also the Councils Money Laundering Reporting Officer.

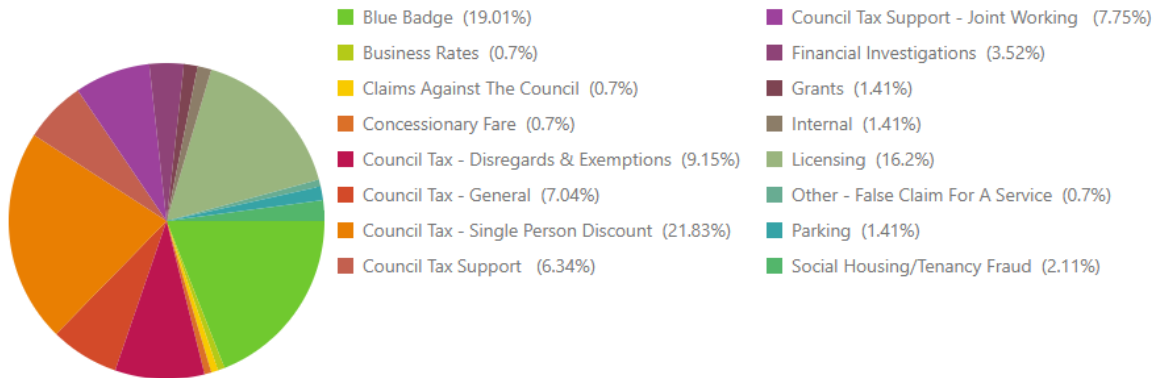
3 Resourcing

- 3.1 As mentioned in previous reports, investigations were placed on hold during the covid-19 pandemic, the following energy crisis, and new case management systems development and implementation.
- 3.2 With the new system in place and work underway to recover from this impact, the team experienced a reduction in resources, as the full-time Counter Fraud Officer secured other employment.
- 3.3 Rather than seeking a like for like replacement, the services of Devon Assurance Partnership are utilised for redress element of the role.
- 3.4 The team went onto see further staff resource issues in this reporting period.

4. Fraud Prevention and Detection

- 4.1 The Counter Fraud Manager provides case by case prevention and intelligence support to teams across the council and partner agencies such as Devon and Cornwall Police and Devon and Somerset fire department.
- 4.2 When undertaking reviews the fraud support officers identify cases of potential fraud. These cases are added to the case management system for further investigation.
- 4.3 The Cabinet Office run a national anti-fraud campaign, The National Fraud Initiative (NFI). Participation is mandatory. It is a data matching exercise to assist in the detection area of fraud and error. The main exercise occurs bi-annually with smaller exercises conducted annually. The work is managed and largely maintained by the Counter Fraud and Error Team.
- 4.4 During this period, work has continued to finalise the results from the 2022/23 exercise. Work has also been undertaken to complete the annual exercise for 2023/24.
- 4.5 NFI Reports for the 2024/25 exercise expected in the second half of the financial year.
- 4.6 We previously reported, an invitation by the Cabinet Office to participate in a pilot, following our suggestion to review Council Tax discount and exemption records by matching to Deceased data. March 2024 saw the release of pilot report 805. The work to complete the pilot concluded in this reporting period.
- 4.7 The results for Torbay from this pilot are detailed in table 10. The Cabinet Office have confirmed the pilot identified £1.6 million in irregularities. As such the pilot is hailed a success and will now form part of the bi-annual reports provided to all Local Authorities.
- 4.8 The fraud team continue to receive referrals received into the department.
- 4.9 The team conducts Work to support Torbay's Housing Strategy, with a focus on properties recorded as empty in the council tax charge base as this informs the wider across department empty property team. This work involves accuracy checks and seeks to identify if the property has become occupied or unoccupied without the owner, landlord, occupier or non-occupier providing advice to the council tax team.
- 4.10 We previously reported a requirement for managers to complete departmental fraud risk assessments. Although the requirement is included within service plans, many managers are yet to submit their Fraud Risk Assessments.
- 4.11 The team's work is varied and covers a wide programme of reactive and pro-active investigations. The diagram below demonstrates the diverse nature of the 111 referrals received in the reporting period and the range of case types covered.

Count of Cases by Case Category



- 4.12 Where it is suspected a person in receipt of Housing Benefit is committing fraud, a referral is made to the DWP. This reporting period has seen 50 referrals.
- 4.13 The team undertook 22 landlords fit and proper checks on behalf of the Housing Standards Team.
- 4.14 The mandatory Fraud awareness course relaunched in April 24 when the Counter Fraud Manager presented at the Managers forum event. Expectation provided for all employees to refresh their training. Monitoring of course completion has occurred during the period. The following table provides a snapshot of completion by Commissioning area.

Commission	Total Colleagues	Colleagues completed	Completion Rate (%)
Adults & Community Services	169	85	50.30
Children's	494	260	52.63
Corporate Services	188	64	34.04
Finance	123	31	25.20
Pride in Place	231	111	48.05
Public Health	21	7	33.33

- 4.15 Torbay Council is a member of The National anti Fraud Network. This membership provides alerts to national frauds. On receipt, the content is reviewed and internal enquiries are made to establish if Torbay has experienced the same fraud by the same fraudsters.
- 4.16 The reporting period has seen the provision of 23 alerts where the perpetrators have targeted more than one Local Authority. This figure is excluded from 4.11.
- 4.17 Torbay Council a victim of one of the reported incidents which affects multiple Local Authorities.
- 4.18 We further use the alerts as a means to raise awareness. Following review of content, communications are issued to individual colleagues or council wide,

depending on nature of the alert.

5. Project Areas and Savings

- 5.1 **Investigations** have taken place throughout the period to identify fraud and error. The benefits received are detailed below. The figures shown for council tax are based on total liability, although the benefit is split between Torbay Council, Devon and Cornwall Police and Devon and Somerset Fire and Rescue Service.
- 5.2 **Council Tax - Single Persons Discount review commences** Working with the revenues management team, a process for the review of single person discounts was designed and implemented. Instigated as an amnesty, allowing single occupier discount recipients to provide update or confirm their household occupancy status.
- 5.3 To date, the team has issued 16,000 invitations to households inviting them to review their Single occupied status. The review nearing completion with final communications being issued October 2024.
- 5.4 When nearing completion, work to identify a partner organisation to provide further single persons discount review services will commence. Procurement having completed and implementation in the new financial year.
- 5.5 **Council Tax - Unregistered properties** an external provider, procured to undertake this work on a no win no fee basis, identifies properties which were otherwise unregistered for council tax purposes.
- 5.6 **Council Tax – Unregistered properties** the Torbay Counter Fraud team identified properties which were otherwise unregistered for council tax purposes.
- 5.7 **Council Tax - Unreported changes in property ownership/occupation** continues as an area of financial risk. The fraud team seek to identify unnotified changes.
- 5.8 **Council Tax – Unreported changes in exemptions and disregards** the council tax scheme has 19 categories of exemptions and 13 categories of disregards. The team have previously reviewed 7 exemption categories. A further two exemptions received review in this reporting period.
- 5.9 **Undervalued or Unrated Business premises** continues to be an area of financial risk. Both the counter fraud and business rates team seek to identify unrated or undervalued business premises. An external provider is also procured to support this work on a no win no fee basis.
- 5.10 **Un-notified change of business owner** continues to be an area of financial risk, the pandemic highlighted business owners had not come forward to register for business rates. The Council saw a surge in business owners coming forward. The risk remains present, and the team discovers changes because of other work.
- 5.11 **Business Rates – Small Business Rates Review commences** Working with the revenues management team, a process for the review of small business

rates relief is designed and under development.

- 5.12 **Housing – empty homes** – In partnership with members of Housing Standards, Planning Enforcement, Environmental Health, Council Tax and Council Tax recovery team, we aim to reduce the number of empty properties in Torbay. This work supports Torbay Councils Housing Strategy.

The fraud team commences the process by reviewing properties registered as empty (not second homes) in the council tax database to ensure accuracy before involvement of the wider teams.

The identification of methods to detect properties registered in council tax as occupied but likely empty is imminent.

6. **Money Laundering** During the reporting period, the council has investigated two suspected reports of money laundering. One report had been made to the National Crime Agency.
7. **Investigations** The team consists of 2.8 full time equivalent member of staff, 1 Manger & Counter Fraud Specialist and 1.8 Counter Fraud Technicians/support officers.

Financial year	Cases awaiting review	Number of completed investigations	Cases under investigation
2022/2023	35	47	36
2023/2024	156	40	38
2024/2025	71	45	37

8. **Partnership Working** the team conducts investigations in partnership with DWP where appropriate. Sending invitations to the DWP and receiving invitations from the DWP.

	under investigation	Cases closed	Cases prosecuted
2023/24	23	1	0
2024/25	10	2	0

The team provides information to the DWP to support its own investigations into Housing Benefit and Universal Credit related frauds.

	Requests received	Requests completed
2024/2025	55	55

9. Devon Audit Partnership (DAP) are utilised to assist with investigations and redress once cases have undergone substantive checks by the Torbay Team.

	With DAP Awaiting/under investigation	Compliance Interviews Undertaken	Compliance resulting in cashable savings	Cases prosecuted
2023/24	24	5	£5,814.24	0
2024/25	2	0	0	0

10. Cashable Savings Identified

Scheme	Number of cases reviewed	Number of removals/amendments	Cashable Value of amended liability
Single person Discount Amnesty	12,429	222	£112,110
Single Person Discount (NFI)	2712	522	£427,728
Exemptions and Disregards	172	60	£159,194
NFI Pilot report 805	258		£ 11,171
Unregistered Council Tax properties (external provider)	0	0	£0.00
Unregistered properties	1	1	£ 1,527
Ownership/Occupation	1	1	£ 2,833
Business Rates (external provider)	3	3	£ Awaited

11. Prevention & Detection

- 11.1 Raising awareness is an integral part of fraud prevention. Hence Torbay Council has a mandatory i-learn course which employees are required to re-take periodically. We have communicated through employee newsletters the requirement to re-take this course with progress highlighted in paragraph 4.12. In the next reporting period will see further communications issued to individuals and managers.
- 11.2 As referenced in 4.13 and 4.14, Torbay Council is a member of The National anti Fraud Network. The alerts we receive are circulated accordingly to provide awareness to the types of frauds happening. Raising awareness is a way to prevent fraud.

- 11.3 Often included in the alerts are details of bank accounts known to be linked to the fraud occurrences. We have worked with The Financial Systems Account Manager and the Reporting and Tech Development manager, to develop a methodology to highlight and prevent payments going to the same bank accounts as seen in the alerts.
- 11.4 During this period, we have developed face to face training for both elected members and for those colleagues who are new to the organisation. The delivery of both training sessions to commence by end of financial year.
- 11.5 It is though this array of awareness that fraud is prevented. In July 2024, we saw an attempt at Chief Executive imposter fraud through email. The officer who received the approach spotted the spoof and did not react. Attached to the email was an invoice, the email pressing for payment.
- 11.6 Approaches of this type pose two threats, a threat to diversion of funds and the potential for the invoice to contain ransomware. Due to awareness, the officer did not open the invoice.
- 11.7 Not only has the officer protected the council's income from loss, but the officer also potentially thwarted an attempt by a fraudster to cause operational disruption. Attachments to emails can contain ransomware and thus severe consequences for the Council.
- 11.8 We have identified a relatively inexpensive tool to allow safe, secure and necessary data sharing across Local Authority departments and Boundaries, to prevent fraud across multiple departments with the added benefit of enhancing debtor tracing. It is anticipated the tool will provide income generation through improved and efficient debtor tracing as well as reducing the number of Data Protection requests the revenues and recovery teams receive and place.
- 11.9 The tool is also anticipated to prevent loss as will enable pre-process and pre-billing checks. Unfortunately, we cannot put a savings to the levels of fraud prevented.
- 11.10 The tool has potential to provide fraud prevention and administration benefits to multiple council departments. A demonstration of the tool has been provided by the company to the Revenues team, as this area identified to receive maximum benefit from the tool.
- 11.11 Capturing a fraud risk register is crucial to provide the council with financial protection, manage its reputation, ensure legal compliance and provide operational efficiencies.
- 11.12 Work to encourage managers to complete fraud risk assessments has continued. The need to capture a fraud risk register captured in Section 4 of service plans 2024-25 template.
- 11.13 Each department is asked to capture their fraud risks in spar.net.
- 11.14 Throughout this reporting period, just one departments fraud risk register is held.

11.15 To establish relationships between the fraud team and parking enforcement team, a counter fraud assistant worked alongside the team to identify blue badge mis-use. This has served to provide parking enforcement officers with greater awareness of abuse, anticipated to result in increased blue badge abuse detection.

Rachel Worsley
Counter Fraud and Error Manager

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Meeting: Audit Committee

Date: 25 February 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

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

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 three risk reports that will be presented to Audit Committee for financial year 2024/25.
- 1.2 Since the last report brought to Audit Committee in July, the Council has made good progress in actioning the observations raised as part of the audit conducted by Devon Assurance Partnership. The risk policy has been updated and the scoring matrix refined which reduced the impact categories from 13 to 9. Both documents are attached to the report as Appendix A.
- 1.3 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 B shows the Council's strategic risks which are scoring 16 or above and Appendix C shows the Council's corporate risks which are scoring 16 or above.
- 1.4 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 72 Corporate Risks appearing on its risk registers. A full list is attached as Appendix D.
- 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. These scores have remained high since they were put in place.
- 2.3 44 of the 72 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 10 February 2025

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

Risk Matrix - Mitigated Corporate Risks as at 10 February 2025

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	3	5	4	1
4 - Major	1	9	12	6	1
3 - Moderate	3	6	14	4	1
2 - Minor	0	1	1	0	0
1 - Insignificant	0	0	0	0	0

Strategic Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
ST05	Failure to supply sufficient housing for Torbay's needs	20
ST03	Failure to have good economic growth that allows us to address the needs of the most vulnerable	16
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
CP05	Failure to comply with Health & Safety legislation	20
CP06	Failure for our wholly owned companies to comply with H&S, fire, environmental legislation.	20
CP14	Delivery of SEND	20
CP15	Failure to stabilise the budget for the Higher Needs block	20
CP46	Effective Housing delivery	20
CP53	Failure to deliver the Statutory Harbour Authority (SHA) functions	16
CP72	Inadequate resources to satisfy the obligations of the Flood and Water Management Act Schedule 3	16
CP47	Effective delivery of Economic Growth Strategy	16

CP73	Failure to adequately undertake proactive improvement works to cliffs and coastal defences	16
CP74	Failure to effectively maintain Council Heritage Assets	16
CP75	Failure to effectively maintain and invest in our Operational Estate	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, significant work has taken place to review the risks that were appearing on the registers for the Torbay Economic Development Company. Now these services have been transferred back to the Council, six new corporate risks have been drafted, approved by Directors and added to the Council's corporate risk register and 23 service risks put in place. All managers and staff that transferred over to the Council who manage risk have received training on the Council's risk management framework and risk software SPAR.net. Regular risk reviews have begun.

4.2 In addition to the above, since the last report, Directors have also agreed and added one new strategic risk and seven new corporate risks to the Council's registers.

- ST10 - Failure of Torbay and South Devon NHS Foundation Trust to deliver Adult Social Care Statutory duties
- CP64 – Failure to deliver the financial sustainability plans as set out in the 2024/25 budget papers
- CP65 - Failure to comply with the grant conditions for the Youth Investment Fund
- CP66 - Failure to transfer PFI schools back to the Council in good condition with the appropriate workforce
- CP67 - Non-compliance with Council's visual identity standards
- CP68 – ASC Transformation Programme fails to deliver financial sustainability
- CP69 - Failure to show due regard in relation to our legal duty under the Armed Forces Act 2021
- CP70 - Failure to prevent employees from being subjected to sexual harassment in the workplace

4.3 In December, Directors held a risk appetite session. They reviewed the Council's strategic and corporate risk registers, discussed the categorisation of the risks, the trajectory of the mitigated risk scores, the tolerable and optimal positions for the risks and consequently set the Council's appetite to risks for each category.

4.4 The session was facilitated by the Head of Policy, Performance and Community Engagement with support and challenge provided by the Head of Devon Assurance Partnership. Following the session there are a series of activities that need to take place including; setting target and acceptable risk scores for each risk and embedding the newly devised risk appetite statements into the Council's decision-

making processes. The new risk appetite statements will provide the framework to enable our Members and Officers to make informed decisions. By introducing risk appetite into our framework, we will embed improved risk assurance into our decision making.

- 4.5 A risk report is considered at the Directors Overview Meeting usually on a monthly basis. In addition to considering new and revised risk forms (which are standard items), during this financial year they have also considered and made decisions on reports that focussed on:
- the Council's service risk position and reviewed details of service risks with mitigated scores of 16 and above
 - the processes and decisions needed on the transfer of risks from the Torbay Economic Development Company back to the Council
 - SWISCo's risk improvement activities, including the establishment of their risk registers, scoring and management processes
 - escalation and de-escalation of risks on and off the strategic and corporate registers
 - risks with no change to their mitigated risk scores 6 for months or more
 - reviewing in detail the risks appearing on the strategic and corporate registers to identify any changes or additions needed.

5. Wholly Owned Companies Risk Registers

- 5.1 As part of the Audit Committee induction session, it was agreed by the Director of Finance that Members would be updated on the risk position of our wholly owned companies once a year. This report includes an update on SWISCo's risk position.
- 5.2 Over a period of 18 months, the Managing Director of SWISCo has worked with the Performance and Risk Manager, supported by the Head of Devon Assurance Partnership, to establish registers for their strategic, corporate and service risks. Three workshops have taken place, delivering training and supporting the management team in risk identification. The service risk registers were established during the summer and went live on SPAR.net in September.
- 5.3 Risks are regularly updated on SPAR.net, discussed at the weekly management team meeting and shared at the SWISCo Board Meeting as well as the SWISCo Shareholder Panel.
- 5.4 Attached as Appendix E is a full list of SWISCo's risks appearing on their strategic and corporate risk registers. They currently have: two strategic risks, 19 corporate risks and 56 service risks.
- 5.5 The two strategic risks both have **unmitigated** scores of 16 or above. At the time of writing this report, one had a **mitigated** score of 16 and above.
- 5.6 13 of the 19 corporate risks have **unmitigated** scores of 16 or above. 3 risks have **mitigated** scores of 16 and above.
- 5.7 Below are the risk matrixes for SWISCo's strategic and corporate risk registers. They show the number of risks that appear for each score.

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

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

SWISCo's Strategic Risk (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
ST91	SWISCo - Failure to comply with current legislation in the delivery of our services	25

SWISCo's Corporate Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
CP111	Waste management facilities insufficient to meet current demand and anticipated growth	25
CP106	Cost of service delivery outstrips available resources and budget	16
CP110	Failure of commissioning agreement to recognise impact of financial pressures beyond SWISCo control	16

5.8 Attached as Appendix F are details relating to the risks that are appearing with mitigated scores of 16 and above.

6.0 CP01 Lack Of Effective Risk Management – Reduced Mitigated Risk Score

6.1 In light that the Council has its risk management practices fully embedded throughout the Council and SWISCo, as well as being near completion of its Phase 2 Improvement Plan, the mitigated risk score for CP01 Lack of effective risk management has been reduced down to 8 Impact 4 Major x Probably 2 Unlikely.

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 B, C, D, E and F.

Appendices

- Appendix A: Risk Policy and Scoring Matrix
- Appendix B: Torbay Council's Strategic Risks Detailed Report (16 and above)
- Appendix C: Torbay Council's Corporate Risks Detailed Report (16 and above)
- Appendix D: Torbay Council's Strategic and Corporate Risk Registers
- Appendix E: SWISCo's Strategic and Corporate Risk Registers
- Appendix F: SWISCo's Strategic and Corporate Risks Detailed Report (16 and above)

Background Documents

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

Risk Management Policy

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Version control

Date	Details	Updated by
29th November 2022	V1 Draft Policy SLT	Eve Bates
21st March 2023	V1 Policy Adopted (Cabinet)	Eve Bates
11th January 2024	V2 Refreshed post DAP Audit	Eve Bates
5 th November 2024	V3 Revised Policy (DOM)	Eve Bates

Review and Adoption

This Risk Management Policy will be reviewed regularly to ensure that it meets the Council's requirements and is proportionate to the organisation's needs. Significant changes to the policy will be considered by the Chief Executive and Directors and an updated version shared with members of Audit Committee.

The approved Risk Management Policy and other documents which make up the Council's Risk Management Framework are available on the intranet. Managers are trained and reminded regularly about where to find this information.

Introduction

Torbay Council recognises that there are risks in everything we do and that we all have a responsibility to identify and manage these risks in a balanced, structured and cost-effective way.

The aim of this Policy is to communicate why risk management is important and to set out how we manage risk as an organisation. Its approval demonstrates the Council's intention and commitment that the Policy:

- Is fully supported by Councillors, the Chief Executive, Directors and the Divisional Directors who are accountable for effective risk management within the Council
- Explains the Council's underlying approach to risk management, setting out the roles and responsibilities of officers and councillors for the ongoing management of risk; and
- Forms part of the Council's overall internal control and governance arrangements.

This Policy forms part of the Council's Risk Management Framework which describes how we manage risk within Torbay Council.

What is risk?

Risk is the uncertainty that surrounds future events and outcomes. This uncertainty can be a positive opportunity or a negative threat. We define risk as "anything that poses a threat to the achievement of effective service delivery or a missed opportunity to improve things". It is measured in terms of the probability of an incident/event occurring and the impact if it does.

What is risk management?

Risk management describes the process and actions by which we address these issues. It is the systematic way of identifying and assessing risk along with how we plan and implement our responses.

If used effectively, risk management supports the Council to exploit potential opportunities and promote innovation, as well as safeguarding it against potential threats.

The Council accepts that risk will never be fully eliminated. The purpose of this Policy is to support the development of a consistent approach to determining, analysing and managing risk to ensure that all reasonable steps are taken to mitigate risk and that the level of risk accepted is balanced against the expected reward.

Risk management is about focusing attention on the true risks, those that happen more often and those with serious consequences and taking practical steps to protect the Council from risks – in most cases, it is about using common sense.

The Council's risk management objectives

The Council's overall risk management objectives are to:

- Embed risk management into the culture and decision making of the Council;
- Integrate risk management into key business processes to ensure there is a consistent approach and that the risks are managed effectively;
- Manage risk in accordance with best practice, whilst developing an approach tailored to meet the Council's own needs;
- Continually identify new and future risks that may impact on the Council;
- Work with partners, providers and contractors to develop awareness and a common understanding of the Council's expectations on risk management;
- Reduce the cost of risk and protect people, assets and the Council's reputation;
- Keep risk registers up to date, regularly maintained and challenged; and
- Ensure effective monitoring and management information is in place, reporting on the key risks facing the Council through our governance arrangements.

Why is risk management important?

The Council's risk management approach is designed to ensure that there is a continuous, open culture of talking about risk. The approach will ensure that:

- New and emerging risks continue to be identified promptly and assessed quickly;
- Significant risks are escalated appropriately;
- The focus is on risks that, because of their probability and impact, make them management priorities;
- Effective mitigating action is taken to manage identified risks; and
- Steps are taken to reduce risks to the lowest acceptable level within the resources available.

Risk management is a statutory requirement for the Council as defined in the Accounts and Audit Regulation 2015 as amended by the Accounts and Audit (Amendment) Regulations 2022. The Regulations state that the Council "must ensure that it has a sound system of internal control which:

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk."

The Procurement Act also contains a specific regulation in relation to the modification of a contract in order to deal with a situation where a known risk (identified at the time the contract was tendered) has materialised during the life of a contract. Whilst identifying risks is not an obligation

under the Act, our ability to amend the contract to deal with a risk when it occurs, depending on whether or not it was identified at the time of the tender, is covered within the legislation.

However, embedding risk management throughout the Council is not just a legal requirement, it can contribute to:

- improved performance that is predicted rather than erratic;
- identifying opportunities where taking risks might benefit the Council;
- supporting innovation and creative thinking;
- enabling more effective management of change;
- protecting revenue and enhancing value for money;
- providing stakeholders with transparent information; and
- enhancing the Council's reputation and credibility.

Risks need to be managed rather than avoided. Making the most of opportunities to improve public services involves some amount of risk taking. Successful organisations take risks in an informed way; an unsuccessful organisation takes risks without understanding them.

Risk statement

The Council recognises that some managed risk-taking is essential if it is to meet its objectives. As such the Council will be:

‘risk aware rather than risk averse, by embedding the identification and management of risk to support the achievement of Torbay Council's objectives’.

This means we will:

- Embed risk management in the strategic planning and decision making of the organisation. Without it, members and officers cannot make effective decisions to meet their objectives and to safeguard the Council's assets.
- Ensure risk management is dynamic in order to capture and anticipate new risks and to assess the trade-off between risk and opportunity.
- Not mitigate all risks as this would not be cost effective. Instead, the Council will focus its attention on managing those risks that may significantly affect the achievement of its strategic and operational objectives.
- Ensure that management oversight is an ongoing cycle that will help to ensure that effective decisions are made, based on a sound understanding of the risks and opportunities we face.
- Report regularly to the Chief Executive, Directors and Audit Committee.

Priorities

The Council's priorities in relation to risk management are:

- To provide early warning on key and emerging matters to enable transparent, timely decision-making and intervention at appropriate levels.
- To raise awareness of the need for risk management by all those involved in the delivery of the Council's services whether by the Council or on our behalf.
- To take actions, where appropriate, to minimise the likelihood of risks occurring and/or reducing the severity of consequences should risks occur.
- To ensure that risks are monitored on an ongoing basis by senior management and reported regularly to the Audit Committee.

The management of our risks and registers

The Council holds all its strategic, corporate and service (or operational) risks (along with the mitigating actions taken to prevent or respond to them) on its Service Performance and Risk database - SPAR.net. The risk registers used by the Chief Executive, Directors, and Audit Committee are generated from the information held on SPAR.net.

The effective management of these risks is part of the day-to-day roles and responsibilities of all managers. To give risk management the appropriate profile, the identification and review of risks will be a standing item on the agenda of all Directors and Divisional Directors monthly one-to-one meetings.

Directors review and update the strategic and corporate risks continuously throughout the year and collectively meet to discuss them at least three times a year in line with the governance reporting arrangements.

In addition to the monthly discussions, Heads of Service are encouraged to have a collective conversation with their teams at least once a year. This is usually carried out as part of annual service planning. This is when teams will collectively review their current risks and mitigations with their teams to ensure they are a true reflection of the current position. These discussions will identify any new or emerging risks whilst setting inherent scores and mitigations. At this point, Heads of Service are also required to undertake a Fraud Risk Assessment with any specific fraud risks identified included on the appropriate Service Risk Register.

At any one time, the Council has numerous projects underway, many of which sit within a programme of activity. Project risks will be held and assessed by project officers either within their teams or within Project Boards, as appropriate. These risks will be recorded within the project documentation rather than held centrally on SPAR.net.

For each programme of activity, the overarching programme risk will be held on the Corporate Risk Register and will be recorded on SPAR.net. The management of these programme risks will be in line with our Risk Management Framework. Therefore, the mitigated risk score for each programme must reflect any key significant issues that the individual registers might be highlighting.

Where contracts are above the regulated procurement threshold, an initial set of contract risks are established as part of the tender process. A register of these risks is held in the contract project

folder located within Commercial Services. The responsibility to update the registers sits with the Contract Managers within the awarding service. Our ability to amend contracts to deal with a risk when it occurs, depending on whether it was identified or not at the time of the tender is covered by procurement legislation.

Staff within Commercial Services have oversight of all contract registers and review them periodically. A service risk is established on SPAR.net for any contract registers that have an overarching mitigated score of 16 or above. This allows for greater oversight, as these risks are included in the regular service risk reviews as set out above.

Risk scoring

Risks are scored using a combination of the probability of the event occurring and the likely impact of the event occurring. A 5 x 5 score matrix is used as below:

		Probability				
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Impact	Critical (5)	5	10	15	20	25
	Major (4)	4	8	12	16	20
	Moderate (3)	3	6	9	12	15
	Minor (2)	2	4	6	8	10
	Insignificant (1)	1	2	3	4	5

Risk categories

The Council undertakes risk management with consideration given to the following risk categories:

Risk Category	Type Of Risk
Strategic Direction	Risks that impact on the delivery of our ambitions.
Operational Delivery	Risks that impact service delivery.
Financial	Risks that have a financial impact on the organisation (revenue, expenses, assets, liabilities, reserves).
Legal and Governance	Risks that impact compliance with legislative and regulatory requirements.
Reputation	Risks that impact the Council's reputation in the community, media or with Government
Health and Security	Risks that impact people's health or an incident that impacts the Council's operations.

Environmental Factors	Risks that impact the natural environment, including environmental performance.
Assets	Risks that impact the use of Council owned assets (including assets used by the community or those that support service provision).
Local Economy	Risks that impact economic growth and employment opportunities.

The Council's Impact and Probably Guide sets out the categories and definitions for each impact score. The category with the highest score is used to set the risk's impact score.

Risk appetite

The Chief Executive and Directors set the Council's risk appetite for each risk category.

Consideration is given to each of the risk categories to ascertain and agree the response levels they expect to see in place for the mitigated risk scores. The following response levels are in place:

Risk Colour and Level	Current Mitigated Risk Score	Actions
Purple (Very High)	25	Risks along with mitigations are added to SPAR.net, reviewed monthly to provide an update on the current position. They are discussed at monthly 1 to 1 meetings with Divisional Directors and Directors.
Red (High)	16-24	Risks along with mitigations are added to SPAR.net, reviewed monthly to provide an update on the current position. They are discussed at monthly 1 to 1 meetings with Divisional Directors and Directors.
Orange (Medium)	10-15	Risks along with mitigations are added to SPAR.net, reviewed at least quarterly to provide an update on the current position. They are monitored so if circumstances change the mitigations or scores can be amended. They are discussed at 1 to 1 meetings with Divisional Directors and Directors.
Yellow (Low)	1-9	Risks along with mitigations are added to SPAR.net and reviewed at least twice a year to provide an update on the current position.
Green (Low)		Discussions are held with Divisional Directors and Directors only when circumstances change for the worse.

The Chief Executive and Directors expect management effort to be put into all risks that have mitigated scores of 16 and above. These risks, along with the latest mitigations, notes and direction of travel movement information are discussed three times a year at Directors Overview Meetings and also shared with Audit Committee. Reports for Audit Committee are published online making the risk reports available in the public domain.

In addition to this, the Chief Executive and Directors collectively review any strategic or corporate risks that have been scored 16 or above and continue to carry this score for over a 6 month period. Considerable management of these risks takes place to understand why any mitigations might not be working and collectively they identify any new mitigations that could bring about an improved position.

Risk tolerance thresholds

Linked to our risk appetite, risk tolerance thresholds represent the levels of risk exposure which, when exceeded, trigger some form of response.

The Chief Executive and Directors will set target risk scores for all risks held on the Council's strategic and corporate risk registers. In addition, risks will be aligned to the Council's themes and priorities as set out in the Community and Corporate Plan and Council Business Plan so risk can be tracked against delivery.

The Council will manage all risks in accordance with its risk appetite with the aim of keeping the mitigated risk score within the agreed risk tolerance.

If risk scores begin to escalate, Divisional Directors will decide if the risk needs more senior level involvement especially when the current risk response isn't working. This could include recommending the escalation of the risk to either the Strategic or Corporate Risk Register so there is greater exposure and public oversight.

Ultimately, the Council will look to reduce the unmitigated risk scores if they are being well controlled and there is evidence in place that the current mitigated score has remained within the agreed tolerance for over a 12-month period or is falling.

This would result in a new unmitigated risk score being set and updates required less frequently in line with our framework timelines.

Role and Responsibilities

Chief Executive and Directors

- The Chief Executive and Directors are responsible for managing the Council's risks and ensuring the Risk Management Framework is implemented across the organisation. This includes overseeing improvements to the Risk Management Framework.
- Collectively they challenge and manage the risks on the Strategic and Corporate Risk Registers:
 - Identifying and agreeing new, emerging or missing risks and their mitigations,
 - Escalating and de-escalating risks on and off the strategic and corporate registers,
 - Examining the registers, high scoring risks and risks with non-moving risk scores

Director and Divisional Directors

- Ensuring risks (and the details for each) are discussed regularly with their managers and recorded in accordance with our Risk Management Policy and Framework.
- Assessing the latest scores and notes given to risks ensuring they are accurately reflecting the current situation.
- Ensuring all risk information, including sign off is kept up to date on the Council's SPAR.net system, as well as on any separate project and contract risk registers.
- Managing all the service, contract and programme risks within the services for which they are responsible.
- Recommending the addition of new risks onto the Strategic or Corporate Risk Registers, including any that need escalating from their service (operational) areas

Cabinet and Cabinet Members

- Responsible for considering risks to the organisation in all of their decision making.
- Discussing relevant risks included on the Strategic and Corporate Risk Registers in their one-to-one meetings with Directors and, with their Directors, ensuring that action is taken as required.

Audit Committee

- 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.

Performance and Risk Manager

- Responsible for the development and implementation of the Council's Risk Management Framework across the organisation. This includes embedding a healthy culture of risk management with officers and councillors, supporting and challenging, as appropriate, with advice and training.

Heads of Service

- Responsible for identifying, managing, and reviewing service (operational) risks. They may also be responsible for corporate risks and mitigations that relate to their specific service area.
- Responsible for ensuring their services risk register reflects all known risks at that time (including risks that are identified within their fraud risk assessment).
- Responsible for ensuring that there is a good risk culture with their teams and staff follow the Risk Management Policy and Framework.

Accountable Risk Officer (terminology used in SPAR.net)

- Overall responsibility for ensuring the risk controls are in place, implemented, applied and managed. In signing off risk reviews, they take accountability for the content.

Risk Completion Officer (terminology used in SPAR.net)

- Responsible for updating and reviewing the risk and ensuring the mitigating actions are correct.

Senior Responsible Owner

- The Senior Responsible Owners of projects and programmes are responsible for establishing and reviewing the risk registers that will be used to track the delivery of the projects and programmes. They are also responsible for ensuring an overarching programme risk is included on the Corporate Risk Register which they update regularly reflecting the programme's current position.

Lead Officer and Contract Manager

- Contract risks are established on an individual contract-by-contract basis throughout the procurement and contract lifecycle. Initial risks will be identified at the time of the tender by the service's lead officer for the procurement. During the term of the contract, risks will be set and reviewed by the contract manager. Risks associated with procurement and contract management activities will be established and reviewed in conjunction with the relevant specialist within Commercial Services.



Risk Impact Scoring Guide


	Strategic Direction	Operational Delivery	Financial	Legal and Governance	Reputation	Health & Security	Environmental Factors	Assets	Local Economy
1 Insignificant	Slight, temporary deviance from one area of strategic direction	Service delivery affected but not disrupted	Under £25,000	Low value claim / dispute Individual internal control not effective	Insignificant adverse publicity	No detrimental impact on health of individuals No notifiable or reportable incident	No negative impact on the natural environment and/or no increase in carbon emissions	Low level loss or damage to asset; no effect on service or community provision	Low level economic decline
2 Minor	Slight, temporary deviance from several areas of strategic direction	Some disruption to specific service	£25,000 - £100k	Possibility of Court action More than one internal control not effective	Minor adverse publicity	Health issues will require treatment at community level Localised incident. No effect on operations	Small or short term, localised impact on the natural environment and/or no increase in carbon emissions	Short-term loss of asset not critical to service or community provision	Significant economic decline affecting under 10% of businesses / increased business failure / across several of areas of Torbay
3 Moderate	Significant deviance from one area of strategic direction	Disruption to a number of service areas	£100k - £1m or more than 2% of total wholly owned company's budget	Likelihood Court action / tribunal Loss of confidence in a number of internal controls requires Senior Officer intervention	Moderate adverse publicity	Health issues will require treatment in hospital Localised incident. Significant effect on operations	Small or short term, area-wide impact on the natural environment and/or an increase in carbon emissions	Long-term loss of asset not critical to service or community provision	Significant economic decline affecting between 10% and 15% of businesses / increased business failure. rise in unemployment across Torbay
4 Major	Significant deviance from several areas of strategic direction	Shutdown of specific service area / disruption to a number of service areas	£1m - £10m or more than 5% of total wholly owned company's budget	Court action impeding delivery of council objective Loss of confidence in council or external audit bodies / disciplinary of council officers / Elected Members	Sustained adverse publicity	Long-term or acute health issues Significant incident involving multiple locations	Long term impact on the natural environment and/or a long term increase in carbon emissions	Short-term loss of asset critical to council income, service or community provision	Significant economic decline in more than 15% of businesses / risk of business failure, disinvestment and relocation of businesses and a rise in unemployment across many areas of Torbay
5 Critical	Strategic direction totally compromised unrecoverable	Shutdown of a number of service areas	>£10m or more than 10% of total wholly owned company's budget	High profile Court action / tribunal External body intervention required	Senior Officer or Elected Member disciplinary or resignation	Fatalities Extreme incident seriously affecting continuity of operations	Extensive impact on the natural environment and/or a long term increase in carbon emissions	Total long term loss of asset critical to council income, service or community provision	Economic decline, multiple businesses failing, disinvestment and relocation, unemployment are significant across all of Torbay


Risk Probability Scoring Guide

Score	Probability	Risk (not all need apply)
1	Rare	If it is rare and not likely to occur and / or Very unlikely this will ever happen e.g. once in 100 years
2	Unlikely	If it is unlikely to occur but may occur in exceptional circumstances and / or Not expected to happen but is possible e.g. once in 25 years
3	Possible	If it possible it will happen and could occur in certain circumstances and / or May happen occasionally e.g. once in every 5-10 years and / or Has happened elsewhere
4	Likely	If it is likely to occur and will probably occur in multiple circumstances and / or Will probably happen but not a persistent issue e.g. at least every 1-2 years and / or Has happened in the past
5	Almost Certain	If it is almost certain to happen and expected to occur in most circumstances and / or Will undoubtedly happen, possibly frequently and / or Imminent near miss

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Risk Code: ST03	Failure to have good economic growth that allows us to address the needs of the most vulnerable.	Accountable Officer : Anthony Payne
Unmitigated Score: Very High (25)	Description: Insufficient economic growth to address Torbay's inequality, poor skills, poor productivity and competitiveness leading to worsening the loss of working age population and an increase in the resident population living in deprived areas.	Risk Completion Officer : Lisa Tuck
Mitigated Current Score: High (16)		Last Review Date : 10/02/2025
Current Direction of Travel: 		Identification Date: 30/04/2023
Previous Direction of Travel: 		Previous Date of Change: 14/02/2024
Mitigation status:	Mitigation:	
Action ongoing	Deepen relationship with partner organisations	
Action ongoing	Deliver more affordable homes SPD	
Action ongoing	Deliver the town centre regeneration programmes	
Action needed	Develop & deliver an appropriate Economic Growth Strategy	
Action ongoing	Develop working relationships with key businesses, developers and landowners	
Action ongoing	Performance data	
Action ongoing	Public Health prevention	
Action ongoing	Review and update Local Plan	
Action ongoing	Secure additional investment	
Action ongoing	Social Value Principles	
Action ongoing	Support the continued development of the hi tech sector in Torbay	
Action ongoing	Supporting people with disabilities and LTC into work	
Latest Note:	A revision of the economic growth plan and strategy framework to be completed in 2025/26 will include Community Wealth Building, Social Value and Social mobility, alongside priorities for skills development and adult education and support to work. These are being addressed by cross directorate/external partnerships. A range of UKSPF initiatives are supporting business growth.	

Risk Code: ST05	Failure to supply sufficient housing for Torbay's needs	Accountable Officer : Anthony Payne
Unmitigated Score: High (20)	Description: Insufficient housing development to meet Torbay's need for suitable housing to meet local needs and anticipated population growth (including economic growth and affordable housing). The absence of a housing supply may also increase the risk of the Council having to accept development in areas that are less desirable.	Risk Completion Officer : David Edmondson
Mitigated Current Score: High (20)		Last Review Date : 05/02/2025
Current Direction of Travel: 		Identification Date: 30/04/2023
Previous Direction of Travel:		Previous Date of Change:
Mitigation status:	Mitigation:	
Action completed	Brief members to increase political support & raise awareness of wider consequences of low growth	
Action ongoing	Brownfield regeneration	
Action ongoing	Delivery of appropriate regeneration sites particularly those linked to Town Deal and Future High St	
Action ongoing	Ensure appropriate figures for Housing numbers are in the revised Local Plan	
Action ongoing	Ensure Neighbourhood Plans are in place and supported	
Action ongoing	Evidence base (Housing Need)	
Action completed	Evidence base (Planning)	
Action completed	Housing Strategy	
Action needed	Housing strategy Action Plan	
Action ongoing	Land supply	
Action ongoing	Liaise with Government organisations	
Action ongoing	Partnership working	
Action ongoing	Planning Service Fit for the Future Project	
Action ongoing	Relationship with landowners and developers	
Action ongoing	Review 106 agreements and implement tighter planning controls	
Action completed	Review structure	
Action ongoing	Unlock stalled sites	
Latest Note:	Progress with the Local Plan Working Group discussions on housing numbers and land allocations. Two key appointments were made, Affordable Housing Manager & Housing Delivery Manager. Positive meetings with Homes England are continuing.	

Risk Code: ST09	Failure to adapt to a changing climate	Accountable Officer : Anthony Payne
Unmitigated Score: High (16)	Description: Our climate is changing. We need to prepare for this. We need to understand where Torbay is currently vulnerable to weather events, and where we may be at risk in the future. Failure to review and plan for this will result in a range of negative economic, social and environmental impacts for the Council and wider Torbay area.	Risk Completion Officer : David Edmondson
Mitigated Current Score: High (16)		Last Review Date : 05/02/2025
Current Direction of Travel: 		Identification Date: 22/01/2024
Previous Direction of Travel:		Previous Date of Change:
Mitigation status:	Mitigation:	
Action ongoing	Flood defences	
Action ongoing	Local Plan Policies	
Action ongoing	Review the Devon, Cornwall and Isles of Scilly Consultation Draft Adaptation Strategy	
Latest Note:	Good work on progress of Local Plan policies on Climate, consideration of developing an SPD to cover these and some other critical policies, to get ahead of the wider Local Plan timescales.	

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Risk Code: CP05	Failure to comply with Health & Safety legislation	Accountable Officer : Matt Fairclough-Kay
Unmitigated Score: High (20)	Description: Health and Safety is a legislative requirement that is enforced by the Health and Safety Executive (HSE). The HSE intervenes when the organisation is found to be in failing in its management of health and safety (in contravention HSG 65). Routine and periodic inspections of systems are required on ASSURE (the council's health and safety software management system). Likewise, incidents are required to be reported and investigated in accordance with the council's policies and procedures. From the 1st July 2024, the assets which were previously managed by TEDC have transferred back to the Council and are now under direct control. Some of these assets have given cause for concern due to recent near misses, therefore, the risk scoring will need to raise.	Risk Completion Officer : Dave Walker
Mitigated Current Score: High (20)		Last Review Date : 05/02/2025
Direction of Travel: —		Identification Date: 23/11/2022
Mitigation status:		
Action needed	Adequate Health and Safety resources available	
Action ongoing	Auditing of Assets	
Action ongoing	Development and maintenance of ASSURE health and safety system	
Action needed	Policies and procedures in place	
Action ongoing	Review of Asset Management	
Action ongoing	Risk Assessments	
Action ongoing	Systems and procedures	
Action needed	Up take of Health and Safety training	
Latest Note: There continue to be issues with regards to Asset Management, particularly with the timely inspection, certification and maintenance of lifting equipment. A review is also needs as to designated roles and responsibilities under current Water Hygiene, Asbestos and Fire Safety Management in accordance with current H&S legislation following the integration of TEDC. This process has commenced, but needs to be expedited with the current HSE focus on Asbestos and Contractor Management. Training uptake remains poor in several areas without resolution, impacting the Authority's ability to demonstrate due diligence.		

Risk Code: CP06	Failure for our wholly owned companies to comply with H&S, fire, environmental legislation.	Accountable Officer : Matt Fairclough-Kay
Unmitigated Score: High (16)	Description: It is vital that the Council oversees the delivery of health and safety within all our wholly owned companies.	Risk Completion Officer : Dave Walker
Mitigated Current Score: High (20)		Last Review Date : 05/02/2025
Direction of Travel: —		Identification Date: 30/03/2023
Mitigation status:		
Action ongoing	Adequate Health and Safety resources available	
Action needed	Auditing of Assets/Sites	
Action ongoing	External Liaison	
Action ongoing	Fire Safety Post	
Action ongoing	H&S Training	
Action needed	Health & Safety Management Auditing	
Action ongoing	Policies and procsures in place	
Action ongoing	Reporting of H&S	
Latest Note: Implementation of procedures around refuelling are on target to be delivered by the end of February which, in conjunction with the testing of fuel storage tanks, will mitigate this risk and reduce the score. Additional on site compliance auditing has been targeted for implementation in March 2025 providing reassurance and testing existing systems. Changes have been implemented to the induction processes, ensuring consistency of material delivered.		

Risk Code: CP14	Delivery of SEND	Accountable Officer : Nancy Meehan
Unmitigated Score: Very High (25)	Description: The Local Area is required to deliver high quality SEND services in line with SEND Code of Practice 0 – 25 years – January 2015. In November 2021 the Local Area was inspected by Ofsted and CQC on the effectiveness of delivering the SEND duties. The Local Area was found to have significant areas of weakness in the area's practice and as such required a written statement of action to be created and enacted to improve practice.	Risk Completion Officer : Lisa Chittenden
Mitigated Current Score: High (20)		Last Review Date : 29/01/2025
Direction of Travel: —		Identification Date: 30/03/2023
Mitigation status:	Mitigation:	
Action ongoing	Internal controls	
Action ongoing	Networking / best practice	
Action ongoing	P1 - Joint Commissioning	
Action ongoing	P2 – SEND Strategy	
Action ongoing	P3 – Cultural change	
Action ongoing	P4 – Joint working	
Action ongoing	P5 – Graduated response	
Action ongoing	P6 – Becoming an adult	
Action ongoing	P7 – Quality assurance and community engagement	
Action ongoing	Written Statement of Action for SEND Improvement	
Latest Note: The progress of our Written Statement of Action continues to be tracked and governed through our SEND Board and DfE Monitoring Visits. Risks and issues are identified through this process. Current risks are: resilience of all agencies to respond and systems changes need to ensure joint commissioning and financial contributions across agencies. The impact on children and young people although starting to change, is not felt widely enough across the system at this stage. The Graduated Response has been widely communicated however the impact on the Requests for Statutory Assessment (RSA) is not yet being seen in the number of referrals received. A high rate of refusal is still seen at the panel, on average 40%. As per the last update from the DCS we are still seeing our data going in the wrong direction with a huge increase in RSAs which impact on the Education Health and Care Plan projection. We have a high refusal rate and also a number which are going to tribunal, with the tribunal timescales being shortened to a 10 week turn around. Recently an LGA review has determined that our governance of our SEND improvement work should be stripped back to focus on key areas. Our new Self Evaluation Framework and Local Area Improvement Plan will now drive the future improvement work. A SEND LGA Peer review took place in November 2024 and feedback from this (due early 2025) will be used to further support the planning for the next SEND inspection.		

Risk Code: CP15	Failure to stabilise the budget for the Higher Needs block	Accountable Officer : Nancy Meehan
Unmitigated Score: Very High (25)	Description: The Higher Needs Block of the Dedicated Schools Grant continues to be overspent. The forecast year end overspend (2022/23) is £2.716m with a cumulative deficit of £11.715m. The Higher Needs Block provides funding to education provisions through the provision of additional support either through identification at SEN K or through the provision set out in an Education Health and Care Plan. The identification of need and the demands on the budget are currently not aligned to the budget received on annual basis. The deficit position of the budget is currently supported by a National Statutory Override, this mechanism is in place for the next three years and provides a way of the Council accounting for the deficit, however this does not address the deficit budget position. In February 2022 Torbay were invited to take part in the Safety Valve programme. The aim of the programme is to agree a package of reform with the DfE and approved by the Secretary of State to implement a DSG Management Plan of the high needs system that will bring the dedicated schools grant (DSG) deficit under control by reducing the spend on the high needs budget by 26/27. Torbay were notified on 14.3.2023 that the Secretary of State had approved the proposals and as a result will support Torbay financially with the HNB deficit on the basis we can implement robustly the proposals within the DSG Management Plan. Torbay will be subject to 3 times a year monitoring visits as part of the scrutiny.	Risk Completion Officer : Lisa Chittenden
Mitigated Current Score: High (20)		Last Review Date : 29/01/2025
Direction of Travel: —		Identification Date: 30/03/2023
Mitigation status:	Mitigation:	
Action ongoing	Ceasing and reviewing Education Health and Care Plans	
Action ongoing	Control – Contributions from agencies	
Action ongoing	Control – Higher Needs Review Group	
Action ongoing	Control – IPOP panel	
Action ongoing	Control – SEND Board and Continuous Improvement Board	
Action ongoing	Early intervention and Prevention	
Action ongoing	Implement the DSG Management Plan	
Action ongoing	Learn from Best Practice	
Action ongoing	Performance data	
Action ongoing	Safety Valve	
Action ongoing	Workforce Development Programme	
Latest Note: The Safety Valve (SV) agreement came into place on 17th March 2023 providing the deficit budget position to be funded, subject to the ongoing delivery of the SV terms and conditions of the agreement. Four submissions of the progress made towards the Safety Valve have been provided to the Education and Skills Funding Agency. The financial position of the Dedicated Schools Grant reported to School Forum in November 2023, demonstrates that the budget is aligned to the outturn position of the Safety Valve, however there are significant pressures and risks as the demand for Education Health and Care Plans is not reducing and the number of plans that are able to be ceased is slowing. We have inputted some mitigations to try to reduce the number of Requests for Statutory Assessment (RSA) such as early Next Steps Meetings prior to RSAs and a robust and rigorous No to Issue standing at approximately 43% of RSAs submitted. However, the rate of which the RSAs are being submitted is currently 50% higher than our target of 15 per month. We have received payment for our August and November 2024 submissions. There is a continued and high risk to not meeting our May 2025 target given the pressures explained above as well as a new risk which has been presented to us recently by the DfE when we have tried to change our special school commissioned numbers to meet our Safety Valve agreement. It seems that DfE policy is that with no agreement on changing commissioned numbers these revert back to the previous year; we are unable to revert back as the school in question is refusing to admit children outside of their designation. Therefore in affect this amounts to a potential additional £250k spend being forced upon us by DfE policy. This has been escalated both to the DfE and through our legal teams.		

Risk Code: CP17	Placement sufficiency	Accountable Officer : Nancy Meehan
Unmitigated Score: Very High (25)	<p>Description: The Children's Social Care Market Study, undertaken by the Competition and Markets Authority and published in March 2022 found that there were a lack of available placements of the right kind and in the right places, which inevitably leads to some children not consistently accessing the care and accommodation that meet their needs. In addition, the largest private providers of placements are making materially higher profits, and charging materially higher prices, than would be expected if this market were functioning effectively. Taken together with a regional challenge in the South West which highlights that there was only 85 more local authority approved placement in July 2022 than in 2018 providing less than half of the required places for cared for children and fifteen fewer approved fostering households available through Independent Fostering Agencies. (Source The South West Market Position Statement, 13 July 2022), it constructs a care system landscape under significant stress in trying to respond to the needs of children and young people. Consequently, symptoms of the aforementioned stress are starting to become evident. For example, providers have reported an increase in the use of residential provision for younger children. Further description The South West Sufficiency Project data collection, shows a marked increase in the number of children aged under 11 placed in residential provision (across the South West, 493 children aged 5-10 years of age were placed in residential provision in 2018/19, 635 in 2019/20 and 647 in 2020/21). Whilst Torbay has not mirrored this trend, the increased use of this provision for younger children, likely driven by the aforementioned fostering sufficiency challenges, has led to insufficient availability of matched residential provision, especially for those children subject to criminal exploitation and contextual safeguarding risks and associated trauma-related needs. This trend and Torbay's use of residential solutions and the reasons for doing so will continue to be closely monitored.</p>	Risk Completion Officer : Lisa Chittenden
Mitigated Current Score: Very High (25)		Last Review Date : 29/01/2025
Direction of Travel: —		Identification Date: 30/03/2023
Mitigation status:	Mitigation:	
Action ongoing	DFE funded Regional Fostering Recruitment Hub	
Action ongoing	Enhanced placement planning	
Action ongoing	Former Foster Carer SGO scoping	
Action ongoing	Mockingbird	
Action ongoing	Parent and Child Placement	
Action completed	Resilience carers	
Action ongoing	Training	
Latest Note:	<p>This has been reviewed in light of the continued issue in relation to national placement sufficiency. Both the Fostering in England 2024 data and recent media attention and the ambition set out in 'keeping children safe and helping families thrive' in relation to the cost of care, evidence the significant challenges which are impacting on placements at this time, hence likelihood set at 'almost certain'. There continues to be a risk to the placement budget by virtue of some of these pressures. There is a huge pressure due to the independent market requesting huge increases in the cost for children already in their care which we are limited in influencing. There is a real concern about cost and there are challenges with receiving any health budget - as such this remains as a score of 25.</p>	

Risk Code: CP46	Effective Housing delivery	Accountable Officer : Anthony Payne
Unmitigated Score: High (20)	<p>Description: That the Council fails to ensure delivery of an appropriate breadth and scale of housing to meet Torbay's needs. This means that there will be insufficient housing to meet the requirements of Torbay's communities for the overall number of properties, their size and affordability. There will also be impacts on the Community & Corporate plan should the risk be borne out.</p>	Risk Completion Officer : David Edmondson
Mitigated Current Score: High (20)		Last Review Date : 05/02/2025
Direction of Travel: —		Identification Date: 21/06/2023
Mitigation status:	Mitigation:	
Action ongoing	Confirmation of the Council's role in housing delivery.	
Action needed	Creation of a Housing Delivery Plan	
Action needed	Deliver Housing Delivery Plan	
Action ongoing	Delivery of the Housing strategy action plan	
Action ongoing	Delivery of the Town Centre regeneration programme	
Action needed	Development of relationship with Homes England	
Action completed	Development of the Strategic Housing Board	
Action completed	Prepare Housing Delivery Plan	
Action ongoing	Releasing Council land assets including greenfield allocated sites	
Action ongoing	Staff resources	
Latest Note:	<p>Some progress has been made on regeneration sites. We still need further action on the implementation of the Housing Delivery Plan. An Affordable Housing Manager was appointed and has started.</p>	

Risk Code: CP47	Effective delivery of Economic Growth Strategy	Accountable Officer : Anthony Payne
Unmitigated Score: High (20)	<p>Description: The council has a responsibility to promote economic wellbeing within Torbay, this includes the facilitation and enabling of business survival and growth, employment opportunities for local people and an increase in the level of productivity. The Economic Growth Strategy outlines the councils' strategic plans to achieve these objectives and defines how delivery will help to tackle climate change and protect and enhance the natural environment of Torbay.</p>	Risk Completion Officer : Lisa Tuck
Mitigated Current Score: High (16)		Last Review Date : 10/02/2025
Direction of Travel: —		Identification Date: 22/06/2023
Mitigation status:	Mitigation:	
Action ongoing	Budget & Prioritisation	
Action completed	Delivery plan monitoring/project and programme structure	
Action ongoing	Improve innovation and growth ecosystem in Torbay, with partners	
Action ongoing	Improve the business strategic voice	
Action ongoing	Relationship with DLUHC and Government	
Action ongoing	Secure medium term supply of employment land	
Latest Note:	<p>A raft of government schemes, policy changes, new guidance and funding streams, expected in early January (UK Shared Prosperity Fund, Connecting to Work, Adult Education Budget etc) is increasing the risk to effective implementation.</p>	

Risk Code: CP53	Failure to deliver the Statutory Harbour Authority (SHA) functions	Accountable Officer : Anthony Payne
Unmitigated Score: High (20)	Description: Tor Bay Harbour Authority is the SHA for Torbay Council and is duty bound to comply with the statutory provisions governing it and for which its powers were granted. Lack of Compliance with the Port Marine Safety Code and Port Good Governance guidance (PGGG) is a red flag that the Harbour is not complying with both national and enabling legislation. Compliance with the code is measured by the Maritime and Coastguard Agency for and on behalf of the Department for Transport (DfT). The management of the harbour finances must be allowed as indicated in the PGGG for the purposes of safe manning levels and maintenance of the Safety Management System. Compliance with the Port Good Governance Guidance is centred around ring fenced accounts as detailed in the PGGG for the purpose of reinvesting the surplus in maintaining port infrastructure, safe practices, and safe manning levels.	Risk Completion Officer : Matt Reeks
Mitigated Current Score: High (16)		Last Review Date : 07/02/2025
Direction of Travel: —		Identification Date: 24/08/2023
Mitigation status:	Mitigation:	
Action completed	Appointment of Designated Person (DP)	
Action ongoing	Audit Assurance	
Action ongoing	Duty Holder Appointment	
Action ongoing	Ring Fenced Accounts	
Action ongoing	Safety Management System	
Action ongoing	Standard Operating Procedures	
Latest Note:	As per the recommendation of Harbour Committee, a full review of infrastructure and operational costs will be undertaken in early 2025.	

Risk Code: CP72	Inadequate resources to satisfy the obligations of the Flood and Water Management Act	Accountable Officer : Anthony Payne
Unmitigated Score: High (20)	Description: The Flood and Water Management Act Schedule 3 initially came into force in 2010 but has not yet been enacted by central government in England due to the significant implications on local authorities. In January 2023, DEFRA and the environment minister announced government's decision to implement Schedule 3 of the Flood and Water Management Act in England to better control flooding. This will have significant implications for Torbay Council as a unitary authority. The schedule provides a framework for the approval and adoption of sustainable drainage systems (SuDS) to regulate rainfall, decrease the volume of water flowing into sewers and storm overflow discharges. It is expected that upon implementation of Schedule 3 the Lead Local Flood Authority will also become the SuDS Approval Body (SAB). For these developments, the SuDS Approval Body will be responsible for • Providing a pre-application service. • Evaluation and approval of SuDS (likely to be funded via an application fee). • Supervision of onsite construction of SuDS (likely to be funded via an application fee). • Record, adopt and maintain the SuDS for the lifetime of the development. The adoption process is expected to require a legal agreement, like S104 sewer adoptions - it is currently unclear how lifetime maintenance will be funded. Under the current resources, the service will be unable to deliver the requirements. There are a lot of elements of unknowns in terms of impact as we don't know what enforcement or penalties Government will be putting in place.	Risk Completion Officer : Tim Jones
Mitigated Current Score: High (16)		Last Review Date : 03/02/2025
Direction of Travel: ▼		Identification Date: 11/12/2024
Mitigation status:	Mitigation:	
Action ongoing	Identify needed team structure	
Action ongoing	Officer Networking	
Action needed	Outsourcing consultancy services	
Action ongoing	Recruitment of technical staff	
Action ongoing	Review of corporate revenue funding strategy for FWMA statutory obligations	
Action ongoing	Staff Training	
Latest Note:	Finance meetings are currently ongoing to discuss budget requirements and priorities. A meeting is due to be held with the Council's SLT shortly to review matters. Proactive steps are now being taken to reduce the risk on the Council, and the probability score has therefore been reduced accordingly.	

Risk Code: CP73	Failure to adequately undertake proactive improvement works to cliffs and coastal defences	Accountable Officer : Anthony Payne
Unmitigated Score: High (16)	Description: Engineered sea defences and natural coastal assets (cliffs) are subject to wind and wave energy, saline environment, freeze/thaw and vegetation growth all which cause deterioration by erosion, undercutting, overloading, washout of fill material, and corrosion of steel elements. The Council struggles to maintain these assets in line with national policy such e.g. Shoreline Management Plan, corporate priorities and relevant legislation due to budget constraints. There is currently no management plan in place and budget is spent on reactive works. Due to climate change, we are seeing significant damage to the South West coastline. Currently the Council is good at identifying potential issues, however, the current processes and provision do not allow for a planned approach to prevent and limit the need for emergency reactive works.	Risk Completion Officer : Tim Jones
Mitigated Current Score: High (16)		Last Review Date : 03/02/2025
Direction of Travel: —		Identification Date: 11/12/2024
Mitigation status:	Mitigation:	
Action needed	Active management of the Council estate	
Action needed	Corporate Asset Management Group	
Action completed	Ensure effective data systems and management information is in place	
Action needed	Governance Arrangements	
Action ongoing	Regular Visual Inspections	
Action needed	Review Asset Management Strategy	
Action needed	Review of allocated corporate budget	
Action ongoing	Surveys Completed On Time	
Action ongoing	Tech Forge	
Latest Note:	Finance meetings are currently ongoing to discuss budget requirements and priorities. A meeting is due to be held with the Council's SLT shortly to review matters.	

Risk Code: CP74	Failure to effectively maintain Council Heritage Assets	Accountable Officer : Malcolm Coe
Unmitigated Score: High (20)	Description: The Council owns a range of Heritage Assets, many of which are Listed by Historic England most notably; Oldway Mansion, Torre Abbey and Torquay Pavilion. There are approximately 43 in total ranging in size, value and condition of repair. The major assets mentioned above, pose the biggest risk to the Council due to the value and current condition. There would not be sufficient council funds to adequately maintain these assets whilst making demonstrable progress in addressing the identified backlog of maintenance following little investment in the fabric of these buildings over a number of years. The risk is therefore two-fold, both financially as significant investment is required and reputationally as the condition of these assets reflects badly on the Council and could lead to enforcement action being taken by Historic England. These building also pose an ongoing health and safety risk to the Council in their current condition.	Risk Completion Officer : Paul Palmer
Mitigated Current Score: High (16)		Last Review Date : 15/01/2025
Direction of Travel: —		Identification Date: 11/12/2024
Mitigation status:	Mitigation:	
Action needed	Capital Repair Fund	
Action ongoing	Condition Surveys - Inspection Regime	
Action ongoing	Condition Surveys - Priority	
Action not due to start	Conservation Management Plans	
Action needed	Enhanced Budget for Repairs & Maintenance	
Action ongoing	Heritage Places Project Group	
Action ongoing	Identification of Heritage Assets Portfolio	
Action completed	Insurance	
Latest Note: Work is on-going regarding the condition surveys and the prioritisation of back log maintenance. We have considered the list of heritage assets and looking at those which should be inspected more frequently. An identified programme of works will be in place by the new financial year. Capital Receipts will be ringfenced into the Capital Repair Fund.		

Risk Code: CP75	Failure to effectively maintain and invest in our Operational Estate	Accountable Officer : Malcolm Coe
Unmitigated Score: High (20)	Description: The Council's property portfolio is wide ranging given the diverse range of services it provides. The operation estate comprises of assets used to deliver front line Council services and the daily operation of the business by Torbay Council. The repair and maintenance of c.268 assets rests with the Council. Condition surveys completed on a rolling programme have identified significant levels of back log maintenance on these assets to the region of £50m. Council's Asset Management Policy seeks to maintain and manage assets in line with corporate priorities and relevant property and health and safety legislation. The identified risk is a continued lack of investment resulting in these assets becoming further dilapidated and requiring even more investment to bring them back up to a required standard.The risk is therefore two-fold, both financially as significant investment is required and reputationally as the condition of these assets reflects badly on the Council. Failure to maintain these buildings also pose an ongoing health and safety risk to the Council in their current condition.	Risk Completion Officer : Paul Palmer
Mitigated Current Score: High (16)		Last Review Date : 15/01/2025
Direction of Travel: —		Identification Date: 11/12/2024
Mitigation status:	Mitigation:	
Action ongoing	Asset Management Plan	
Action needed	Capital Repair Fund	
Action ongoing	Condition Surveys	
Action needed	Enhanced Budget for Repairs & Maintenance	
Action completed	Insurance	
Latest Note: Work is on-going regarding the condition surveys and the prioritisation of back log maintenance. An identified programme of works will be in place by the new financial year. Capital Receipts will be ringfenced into the Capital Repair Fund.		

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Strategic and Corporate Risk Registers (as at 10/02/2025)

Category	Code	Risk Title	Accountable Officer	Risk Completion Officer	Unmitigated Score	Current Mitigated Score	Last Review	Direction of Travel
Strategic Risk	03	Failure to have good economic growth that allows us to address the needs of the most vulnerable.	Anthony Payne	Lisa Tuck	25	16	10/02/2025	—
	04	Failure to set a robust budget and Medium-Term Resource Plan	Malcolm Coe	Malcolm Coe	25	15	03/02/2025	—
	05	Failure to supply sufficient housing for Torbay's needs	Anthony Payne	David Edmondson	20	20	05/02/2025	—
	06	Pandemic or high impact outbreak of infectious disease	Lincoln Sargeant	Mandy Guy	16	12	30/01/2025	—
	07	Recruitment and Retention	Matt Fairclough-Kay	Sue Wiltshire	25	4	24/01/2025	▼
	08	Operational or governance failure of our wholly owned companies	Matt Fairclough-Kay	Malcolm Coe	20	9	07/02/2025	—
	09	Failure to adapt to a changing climate	Anthony Payne	David Edmondson	16	16	05/02/2025	—
	10	Failure of Torbay and South Devon NHS Foundation Trust to deliver Adult Social Care Statutory duties	Jo Williams	Jo Williams	20	12	07/02/2025	—

Total Strategic Risks = 8

Strategic and Corporate Risk Registers (as at 10/02/2025)

Category	Code	Risk Title	Accountable Officer	Risk Completion Officer	Unmitigated Score	Current Mitigated Score	Last Review	Direction of Travel
Corporate Risk	01	Lack of effective risk management	Matt Fairclough-Kay	Eve Bates	20	8	07/02/2025	▼
	02	Failure to have adequate insurance in place for all council assets and activities	Matt Fairclough-Kay	Evelyn Murray	15	10	05/02/2025	▬
	03	Prolonged Data Centre Outage	Matt Fairclough-Kay	Gavin Dunphy	20	10	22/01/2025	▬
	04	Large scale cyber attack	Matt Fairclough-Kay	Gavin Dunphy	25	15	22/01/2025	▬
	05	Failure to comply with Health & Safety legislation	Matt Fairclough-Kay	Dave Walker	20	20	05/02/2025	▬
	06	Failure for our wholly owned companies to comply with H&S, fire, environmental legislation.	Matt Fairclough-Kay	Dave Walker	16	20	05/02/2025	▬
	07	Talent development (Future proofing the workforce)	Matt Fairclough-Kay	Sue Wiltshire	12	6	24/01/2025	▼
	08	Breach of Equality Act or breach of the Human Rights Act	Matt Fairclough-Kay	Laura Hill	16	12	04/02/2025	▬
	09	Reputation of council	Anne-Marie Bond	Kate Spencer	16	9	15/01/2025	▬
	10	Failure to produce quality data	Matt Fairclough-Kay	Joanne Beer	25	8	15/01/2025	▬
	11	Inadequately prepared to respond and manage the impact of a major incident	Matt Fairclough-Kay	Steven Harvey	15	8	12/12/2024	▬
	12	Ineffective Business Continuity Management	Matt Fairclough-Kay	Steven Harvey	12	8	12/12/2024	▬
	14	Delivery of SEND	Nancy Meehan	Lisa Chittenden	25	20	29/01/2025	▬
	15	Failure to stabilise the budget for the Higher Needs block	Nancy Meehan	Lisa Chittenden	25	20	29/01/2025	▬
	16	Quality of performance and data	Nancy Meehan	Lisa Chittenden	20	9	29/01/2025	▬
	17	Placement sufficiency	Nancy Meehan	Lisa Chittenden	25	25	29/01/2025	▬
	18	Demand on services outstrips resource and budget	Nancy Meehan	Lisa Chittenden	20	15	29/01/2025	▬
	19	Recruitment and retention Of Social Workers	Nancy Meehan	Lisa Chittenden	20	9	03/02/2025	▬
	20	Failure to replace the Paris system	Jo Williams	Jo Williams	25	15	07/02/2025	▬
	21	GDPR Compliance and Effective Information Governance	Matt Fairclough-Kay	Joanne Beer	15	12	17/12/2024	▬
	22	High levels of customer dissatisfaction	Matt Fairclough-Kay	Joanne Beer	9	9	05/02/2025	▬
	23	Implementation of the customer relationship management (CRM) system	Matt Fairclough-Kay	Matt Fairclough-Kay	16	6	15/01/2025	▬
	24	Failure to have effective, modern software systems in place to support key business areas.	Matt Fairclough-Kay	Gavin Dunphy	20	15	22/01/2025	▬
	25	Legal costs for Children's Services - Judicial Reviews	Matt Fairclough-Kay	Amanda Barlow	15	10	03/02/2025	▲
	26	Failure to deliver mandated public health services	Lincoln Sargeant	Ian Tyson	16	3	15/01/2025	▬
	27	Failure to respond adequately to the fuel crisis or similar events affecting the most vulnerable	Lincoln Sargeant	Julia Chisnell	16	9	29/01/2025	▬
	28	Failure to deliver or facilitate the delivery of future extra care housing	Jo Williams	Adam Russell	12	9	23/01/2025	▼

Strategic and Corporate Risk Registers (as at 10/02/2025)

29	Corporate Debt recovery from ASC customers	Jo Williams	Jo Williams	12	9	28/01/2025	—
31	Failure to administer and pay housing benefit accurately & promptly	Malcolm Coe	Richard Owen	15	9	06/12/2024	—
32	Increased homelessness and insufficient temporary accommodation	Tara Harris	Lianne Hancock	16	12	10/02/2025	—
33	Lack of effective project management	Matt Fairclough-Kay	Matt Fairclough-Kay	12	8	18/12/2024	—
35	Lack of focus on key priorities	Anne-Marie Bond	Anne-Marie Bond	20	12	07/02/2025	—
36	Failure to maximise the benefits of partnership working	Anne-Marie Bond	Anne-Marie Bond	15	9	07/02/2025	—
37	Failure to have adequate constitution and democratic governance arrangements in place	Anne-Marie Bond	Amanda Barlow	12	12	08/01/2025	—
38	Health and wellbeing of staff	Matt Fairclough-Kay	Sue Wiltshire	20	3	24/01/2025	▼
39	Delivery of elections / electoral registration	Anne-Marie Bond	Catherine Hayden	20	9	05/02/2025	—
40	Failure to deliver the commitments within the Council's Policy Framework	Anne-Marie Bond	Kate Spencer	12	12	06/01/2025	—
41	Failure to collect, or loss of, income in particular council tax and business rates	Malcolm Coe	Alistair Townsend	20	12	10/02/2025	—
43	Failure to have effective procurement and contract management arrangements in place	Malcolm Coe	Tracey Field	16	8	06/02/2025	—
44	Failure to adequately prepare for, and meet grant conditions (Capital Projects)	Malcolm Coe	Malcolm Coe	20	12	03/02/2025	—
45	Failure to effectively and efficiently deliver the Capital Programme	Anthony Payne	David Carter	20	12	10/02/2025	—
46	Effective Housing delivery	Anthony Payne	David Edmondson	20	20	05/02/2025	—
47	Effective delivery of Economic Growth Strategy	Anthony Payne	Lisa Tuck	20	16	10/02/2025	—
48	Failure to deliver town centre regeneration projects	Anthony Payne	David Carter	20	12	10/02/2025	—
49	Failure to have an up to date adopted Local Plan in place	Anthony Payne	David Edmondson	12	12	30/12/2024	—
50	Failure to meet Development Management national and local performance targets	Anthony Payne	David Edmondson	20	15	05/02/2025	—
51	Failure to support people to maintain and access permanent accommodation.	Malcolm Coe	Clive Hayward, Richard Owen	20	6	15/01/2025	—
53	Failure to deliver the Statutory Harbour Authority (SHA) functions	Anthony Payne	Matt Reeks	20	16	07/02/2025	—
54	Delivery of satisfactory beach and coastal services	Anthony Payne	Matt Reeks	9	6	07/10/2024	▼
56	Failure to meet Care Act 2014 section five (one)	Jo Williams	Adam Russell	20	12	05/02/2025	—
57	Data loss through use of artificial intelligence	Matt Fairclough-Kay	Joanne Beer	12	6	07/01/2025	—
58	Transfer of Torbay Economic Development Company (TEDC), a wholly owned company, back to the Council	Matt Fairclough-Kay	Stuart Loly	20	4	29/01/2025	—
59	Risk of Fraud and Error causing financial loss or reputational damage to the council.	Malcolm Coe	Rachel Worsley	25	9	05/02/2025	—
60	Failure to reduce carbon dioxide emissions in line with the current carbon neutral targets	Anthony Payne	David Edmondson	15	15	30/12/2024	—
61	Failure to realise the benefits of devolution for Devon and Torbay	Anne-Marie Bond	Kate Spencer	6	6	06/01/2025	—
62	Deprivation of Liberty waiting list (ICO under delegated tasks of Section 75 agreement)	Jo Williams	Lee Baxter	12	12	27/01/2025	—
63	Potential loss of data through cyber breach (Adult Social Care)	Jo Williams	Chris Lethbridge	16	12	03/02/2025	▼
64	Failure to deliver the financial sustainability plans	Malcolm Coe	Malcolm Coe	16	8	03/02/2025	—
65	Failure to comply with the grant conditions for the Youth Investment Fund	Nancy Meehan	Lisa Chittenden	12	12	07/01/2025	—
66	Failure to transfer PFI schools back to the Council in good condition with the appropriate workforce	Nancy Meehan	Clare Talbot	20	9	27/01/2025	—

Strategic and Corporate Risk Registers (as at 10/02/2025)

67	Non-compliance with Council's visual identity standards	Matt Fairclough-Kay	Beth Hill	12	9	19/12/2024	—
68	ASC Transformation Programme fails to deliver financial sustainability	Jo Williams	Anna Coles	16	12	27/01/2025	—
69	Failure to show due regard in relation to our legal duty under the Armed Forces Act 2021	Matt Fairclough-Kay	Will Harris	15	9	11/12/2024	▼
70	Failure to prevent employees from being subjected to sexual harassment in the workplace	Matt Fairclough-Kay	Sue Wiltshire	6	3	11/12/2024	▼
71	Failure to ensure safe maintenance and compliance of the Council's housing stock	Malcolm Coe	Paul Palmer	12	8	13/12/2024	▼
72	Inadequate resources to satisfy the obligations of the Flood and Water Management Act Schedule 3	Anthony Payne	Tim Jones	20	16	03/02/2025	▼
73	Failure to adequately undertake proactive improvement works to cliffs and coastal defences	Anthony Payne	Tim Jones	16	16	03/02/2025	—
74	Failure to effectively maintain Council Heritage Assets	Malcolm Coe	Paul Palmer	20	16	15/01/2025	—
75	Failure to effectively maintain and invest in our Operational Estate	Malcolm Coe	Paul Palmer	20	16	15/01/2025	—
76	Failure to adequately maintain and invest in our Community Assets	Malcolm Coe	Paul Palmer	6	4	13/12/2024	▼
81	Council Redesign - Our Organisation Project Overall Risk	Matt Fairclough-Kay	Matt Fairclough-Kay	15	8	26/11/2024	—
82	Council Redesign - Our People Project Overall Risk	Matt Fairclough-Kay	Sue Wiltshire	15	6	11/12/2024	—

Total Corporate Risks = 72

SWISCo Risk Register (as at 10/02/2025)

Category	Code	Risk Title	Accountable Officer	Risk Completion Officer	Unmitigated Score	Current Mitigated Score	Last Review	Movement
Strategic Risk	ST90	SWISCo - Failing to deliver the commitments agreed in the business plan and SLA agreements	Matt Reeks	Matt Reeks	20	15	07/02/2025	—
	ST91	SWISCo - Failure to comply with current legislation in the delivery of our services	Matt Reeks	Matt Reeks	25	25	07/02/2025	—

Total Strategic Risks = 2

Corporate Risk	Code	Risk Title	Accountable Officer	Risk Completion Officer	Unmitigated Score	Current Mitigated Score	Last Review	Movement
Corporate Risk	CP103	High levels of customer dissatisfaction with SWISCo services	Matt Reeks	Adrian Wilkey	9	9	10/12/2024	—
	CP118	Failure to adequately prepare for and respond to extreme weather	Matt Reeks	Ian Jones	20	12	22/01/2025	—
	CP105	Failure to capture and have reliable data will negatively impact SWISCo's service performance	Matt Reeks	John Greaves	12	12	20/11/2024	—
	CP111	Waste management facilities insufficient to meet current demand and anticipated growth.	Matt Reeks	John Greaves	25	25	05/02/2025	—
	CP101	Health and wellbeing of staff	Matt Reeks	Kim Smith	20	9	06/02/2025	—
	CP107	Recruitment and Retention	Matt Reeks	Kim Smith	16	9	06/02/2025	—
	CP109	Failure to have suitable capacity in place to allow for commercial growth	Matt Reeks	Matt Reeks	15	9	29/11/2024	▼
	CP104	Failure to comply with Occupational Health & Safety Legislation and Guidance	Matt Reeks	Molly Bryan	20	15	15/01/2025	—
	CP117	Loss of Tor Park Road waste transfer and management facility due to fire	Matt Reeks	Molly Bryan	25	15	15/01/2025	—
	CP113	Failure to properly manage volunteer Friends Groups	Matt Reeks	Neil Coish	16	4	05/02/2025	▲
	CP114	Lack of SWISCo engagement when the council considers how Section 106 / CIL money is spent	Matt Reeks	Neil Coish	9	12	05/02/2025	▼
	CP106	Cost of service delivery outstrips available resources and budget	Matt Reeks	Paul Luscombe	16	16	05/02/2025	—
	CP110	Failure of commissioning agreement to recognise impact of financial pressures beyond SWISCo control	Matt Reeks	Paul Luscombe	16	16	05/02/2025	—
	CP108	Failure of Torbay Council's mandatory policies and procedures not meeting SWISCo's needs.	Matt Reeks	Paul Luscombe	16	8	05/02/2025	—
	CP116	Failure to have access to long term funding for asset replacement	Matt Reeks	Paul Luscombe	20	15	05/02/2025	—
	CP119	Failure to have an effective, efficient and resilient supply chain	Matt Reeks	Paul Luscombe	16	12	05/02/2025	—
	CP112	Lack of resources for extra requirements relating to new housing developments and growth	Matt Reeks	Paul Luscombe	12	12	30/12/2024	—
	CP115	Operator's Licence ('O' Licence) sanctions	Matt Reeks	Paul Luscombe	15	10	30/12/2024	—
CP102	Reputation of SWISCo / effective communication	Matt Reeks	Paul Luscombe	16	9	05/02/2025	—	

Total Corporate Risks = 19

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Risk Code: ST91	SWISCo - Failure to comply with current legislation in the delivery of our services	Accountable Officer : Matt Reeks
Unmitigated Score: Very High (25)	Description: The operations and activities delivered by SWISCo are governed by various legislative and regulatory requirements. These include • Health and Safety at Work Act • Environmental Protection Act • Employers' Responsibilities • Equality Act • Financial Regulations • Waste Collection and Disposal Authority Responsibilities (section 45 EPA) • Highway Authority Responsibilities • Road Traffic Act. The nature of these services and the size of the workforce results in regular review and inspection by the governing agencies. Some inspections in the past have resulted in needed improvements and the council to make further investment into SWISCo's so it can change its working practices. Since the formation of SWISCo in 2020, the company has received a number of improvement notices which it has acted upon, therefore it has never been prosecuted or fined for any breaches against regulations or legislation.	Risk Completion Officer : Matt Reeks
Mitigated Current Score: Very High (25)		Last Review Date : 07/02/2025
Direction of Travel: —		Identification Date: 07/06/2023
Mitigation status:	Mitigation:	
Action ongoing	Audit and Review	
Action ongoing	Board & Shareholder Awareness	
Action needed	Contingency funding for unplanned Council investment.	
Action ongoing	Contingency funding for unplanned SWISCo investments	
Action needed	Devise, Implement and Monitor a project plan to address CAR notice	
Action ongoing	External Networking / horizon scanning	
Action ongoing	Internal and external notification(s)	
Action ongoing	Management Systems (Internal controls)	
Action ongoing	Staff training and awareness	
Action ongoing	Unique requirements	
Action ongoing	Workforce culture	
Latest Note: This risk is scored high as there are currently outstanding issues with the compliance of the Waste Transfer Station site. However, in recent weeks, the Fire Prevention Plan (FPP) has now been approved by the Environment Agency and the Fire and Rescue Service. Funding is in place to deliver the required FPP improvements to the site, work will commence in April 2025.		

Risk Code: CP106	Cost of service delivery outstrips available resources and budget	Accountable Officer : Matt Reeks
Unmitigated Score: High (16)	Description: There are a number of factors that could impact on SWISCo's ability to carry out its services on behalf of Torbay Council predominantly due to lack of resources available, budget and increasing cost pressures.	Risk Completion Officer : Paul Luscombe
Mitigated Current Score: High (16)		Last Review Date : 05/02/2025
Direction of Travel: —		Identification Date: 13/11/2023
Mitigation status:	Mitigation:	
Action ongoing	Additional Commissioning Fee	
Action ongoing	Governance	
Action ongoing	Internal controls	
Action ongoing	Procurement	
Action ongoing	Staff Retention	
Latest Note: The new finance manager is now attending SWISCo SMT meetings to review monthly result. Budget setting for 2025/26 is well under way with meetings for each service area.		

Risk Code: CP110	Failure of commissioning agreement to recognise impact of financial pressures beyond SWISCo control	Accountable Officer : Matt Reeks
Unmitigated Score: High (16)	Description: There are certain factors that are beyond SWISCo's control that can cause financial pressures on the business if our agreed commissioning fee with Torbay Council is not modified to take them into account.	Risk Completion Officer : Paul Luscombe
Mitigated Current Score: High (16)		Last Review Date : 05/02/2025
Direction of Travel: —		Identification Date: 21/11/2023
Mitigation status:	Mitigation:	
Action ongoing	Commercial opportunities	
Action ongoing	Commissioning Fee discussions	
Action ongoing	Increased collection of recyclable materials	
Action ongoing	Increased quality of recyclable materials	
Action ongoing	Procurement	
Action ongoing	Regular communication with Board members	
Latest Note: There is continual monitoring of accounts on a monthly basis to assess the impact on the year end result.		

Risk Code: CP111	Waste management facilities insufficient to meet current demand and anticipated growth.	Accountable Officer : Matt Reeks
Unmitigated Score: Very High (25)	Description: The Household Waste and Recycling Centre and Waste Transfer Station located at Tor Park Road, Paignton is already operating at maximum capacity and there are a number of factors that could further restrict its operational performance. There is no available space for expansion at the depot.	Risk Completion Officer : John Greaves
Mitigated Current Score: Very High (25)		Last Review Date : 05/02/2025
Direction of Travel: —		Identification Date: 21/11/2023
Mitigation status:		Mitigation:
Action ongoing	Communication with Board and elected members	
Action ongoing	Legislative Change	
Action needed	New Site	
Action needed	Separate Household Waste Recycling Centre	
Latest Note: We have received confirmation of Extended Producer Responsibility (EPR) payment for this year. Persistent Organic Pollutants Regulations (POPs) legislation has now come into effect, requiring sofas to be transported separately to MVV for disposal, this has put extra strain on the site as we are required to store the items separately. Simpler Recycling for business came into effect on 1st January 2025, this will require more separation and storage of business waste materials.		

Meeting: Audit Committee

Date: 25 February 2025

Wards Affected: All

Report Title: HR Investigations and Whistleblowing

**Cabinet Member Contact Details: Councillor Alan Tyerman,
Alan.Tyerman @Torbay.gov.uk**

**Director/Assistant Director Contact Details: Matthew Fairclough-Kay – Matthew
Fairclough-Kay@Torbay.gov.uk**

1. Purpose of Report

- 1.1 The purpose of this report is to provide a high-level summary of the number of HR investigations and Whistleblowing investigations in the year 1st October 2023 to 30th September 2024.
- 1.2 Exempt Appendix 1, sets out such an overview.

2. Reason for Proposal and its benefits

- 2.1 To provide a greater level of detail of HR investigations and Whistleblowing investigations to Audit Committee.

3. Recommendation(s) / Proposed Decision

- (i) That Audit Committee note the contents of Exempt Appendix 1, and give consideration to any further information or action that they require.

Appendices

Appendix 1: Overview of HR Investigations and WB Investigations

Background Documents

None

Supporting Information

1. Introduction

1.1 For Audit Committee to consider the contents of appendix 1.

2. Options under consideration

2.1 To consider the contents of appendix 1.

3. Financial Opportunities and Implications

None.

4. Legal Implications

4.1 Failure to follow due process in respect of HR investigations and WB concerns could result in Employment claims for the Council.

5. Engagement and Consultation

5.1 None required for the purpose of this report.

6. Purchasing or Hiring of Goods and/or Services

6.1 N/A

7. Tackling Climate Change

7.1 N/A

8. Associated Risks

8.1 N/A

Equality Impacts N/A

9.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people			✓
	People with caring Responsibilities			✓
	People with a disability			✓
	Women or men			✓
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			✓
	Religion or belief (including lack of belief)			✓
	People who are lesbian, gay or bisexual			✓
	People who are transgendered			✓
	People who are in a marriage or civil partnership			✓
	Women who are pregnant / on maternity leave			✓

	Socio-economic impacts (Including impact on child poverty issues and deprivation)		✓
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)		✓
10..	Cumulative Council Impact (proposed changes elsewhere which might worsen the impacts identified above)	N/A	
11.	Cumulative Community Impacts (proposed changes within the wider community (inc the public sector) which might worsen the impacts identified above)	N/A	

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Audit Committee Work Plan 2025/2026

Date of Meeting	Report Title
26 March 2025	<ul style="list-style-type: none"> • Internal Audit Plan • Internal Audit Charter and Strategy • Audit Committee Progress Report and Sector Update • Counter Fraud and Error Annual Plan • Consultation Response: Local audit reform - a strategy for overhauling the local audit system in England • Performance Update: Collection of Council Tax & Non-Domestic Rates • Audit Committee Self Assessment (CIPFA Guidance) 2024-25: Action Plan • Audit Committee Annual Report • Progress against Corporate Peer Challenge Action Plan • RIPA Update • Audit Committee Workplan
28 May 2025	<ul style="list-style-type: none"> • Audit Committee Terms of Reference - to note • Treasury Management Outturn • Annual Audit Report (Internal Audit) • Draft Annual Governance Statement 2024/25 • Audit Committee Annual Report 2024/25 • Counter Fraud and Error Update • Audit Committee Workplan
30 July 2025	<ul style="list-style-type: none"> • Strategic and Corporate Risk Report • Risk Assurance Report - Integrated Adult Social Care Services • Performance Update: Collection of Council Tax, Non-Domestic Rates & Corporate Debt • 2024/25 External Audit Plan (Grant Thornton) • Audit Committee Progress Report and Sector Update (Grant Thornton) • Audit Committee Workplan

Audit Committee Work Plan 2025/2026

29 October 2025	<ul style="list-style-type: none"> • 2025/26 Treasury Management Mid-Year Review • Progress against Corporate Peer Challenge Action Plan • Whistleblowing Complaints and HR Investigations • Audit Committee Workplan
21 January 2026	<ul style="list-style-type: none"> • Internal Audit - Half Year Report including the outcomes of the Follow Up on Areas Requiring Improvement • 2025/26 Treasury Management Strategy • 2024/25 Torbay Council Audit Findings Report (Grant Thornton) • 2024/25 Torbay Council Auditor's Annual Report (Grant Thornton) • 2024/25 Statement of Accounts including Annual Governance Statement • Strategic and Corporate Risk Report • Audit Committee Progress Report and Sector Update (Grant Thornton) • RIPA Update • Counter Fraud and Error - 6 monthly Update • Audit Committee Workplan
25 March 2026	<ul style="list-style-type: none"> • Internal Audit Plan • Internal Audit Charter and Strategy • Counter Fraud and Error Annual Plan • Strategic and Corporate Risk Report • Audit Committee Workplan