

AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 26 March 2024

Present:

Councillor J Johnson (Chair)

Councillors GJ Davies I Lewis
P Basnett S Kelly
M Skillicorn N Graham

44 **WELCOME AND INTRODUCTION**

The Chair opened the meeting and reminded everyone that the meeting was being webcast and a copy was retained on the Council's website.

45 **APOLOGIES FOR ABSENCE**

An apology for absence was received from Independent Member Joanne Byrne.

46 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

Members were asked to consider whether they had any disclosable pecuniary interests and/or any other relevant interest in connection with any item(s) on this agenda and, if so, to declare them and state what they were.

Councillor Paula Basnett declared a pecuniary interest in her capacity as the Executive Chair of Wirral Chamber of Commerce in relation to the delivery of a business support contract referred to in Item 7 of the agenda.

47 **MINUTES**

Resolved – That the minutes of the meeting held on 15 January 2024 be approved.

48 **PUBLIC AND MEMBER QUESTIONS**

There were no public questions, petitions, statements or member questions received in advance of the meeting.

49 **INTERNAL AUDIT UPDATE REPORT**

The Chief Internal Auditor presented his report which identified and evaluated the performance of the internal audit service and included details of any

issues arising from the actual work and items of note undertaken during the period 1 February to 15 March 2024. Notable work reported included an ongoing review of the regeneration programme governance arrangements and an update on progress of identified actions arising from the audit of the Council's agency worker's contract.

Members queried the progress on outstanding actions arising from the audit of Climate Emergency and Health and Safety which had been previously reported to Committee. The Chief Internal Auditor confirmed two recommendations remained outstanding and work was being undertaken with senior managers to address these on a cross-directorate level. Members also discussed the grading and roles of agency workers recruited within the Matrix contract, examination of contract governance of highways contracts and resourcing of the Simplification Pathfinder project delivery within the regeneration programme governance audit.

Resolved – That the report be noted.

50 **CORPORATE RISK MANAGEMENT UPDATE**

The Risk, Continuity & Compliance Manager presented the report of the Director of Finance which provided an update on activity related to the Corporate and Directorate Risk Registers and the Council's risk management arrangements. Outcomes of the latest review of the Corporate Risk Register (CRR) by the Senior Leadership Team were reported and that there were minor updates to the mitigating controls and planned actions for the existing Corporate Risks, but no change in scores. It was noted that The Council's Risk Management Policy Statement and Strategy had been updated to reflect the Council's committee structure and lines of reporting as well as the vision set out in the Council Plan 2023-27.

Members discussed the impact of recommendations on corporate risks entailed in the External Audit Annual Report. The Risk, Continuity and Compliance Manager confirmed these would be reviewed in the next scheduled review with SLT. Members also discussed how the effectiveness of controls could be monitored within the CRR and reiterated the importance of policy and service committees undertaking regular reviews of their respective directorate risk registers.

Resolved – That the report be noted and the Risk Management Framework be endorsed.

51 **REGENERATION AND PLACE RISK MANAGEMENT**

The Director of Regeneration and Place presented the report which provided a review of the Regeneration and Place Directorate risks as requested by the

Audit and Risk Management Committee in January 2024. The report included a review of the directorate risk register, information on how risks were managed, processes for managing new risks as they arise, and expected outcomes from current programmes through delivery. In relation to delivery, The Director of Regeneration and Place reported that work had been undertaken to assess the feasibility of all current projects and pipeline projects, to ensure that the Council had the appropriate skills and capacity to deliver prioritised projects and that project management and performance arrangements were strengthened. It was noted that the Council's successful application as a 'Pathfinder' as part of the Government's simplification process had secured mitigation to schemes without impacting on the scale and ambition of delivery.

Members discussed risk scores identified within the directorate risk register. In relation to regeneration delivery, Members noted the importance of retention and recruitment of sufficient skills to manage risks. The Director of Regeneration of Place affirmed that the Directorate had made progress in address gaps capability and delivery skills over the previous 12 months and work was being undertaken to improve this further. In addition, Members highlighted the importance of sufficient openness and transparency of governance arrangements where changes are made to delivery programmes, alongside the Audit and Risk Management Committee's role in receiving assurance that risks were being managed. Members also discussed risks scores associated with housing and homelessness services and sought assurance on the reporting of these issues to the Economy, Regeneration and Housing Committee.

The Chair noted the Committee's concerns relating to resourcing within the directorate, risks of clawback within individual schemes, work of funding partners and future risk management training with policy and service committees. With those caveats, it was:

Resolved – That the comprehensive arrangements in place within the Regeneration and Place Directorate for managing all Directorate risks be noted.

52 EXTERNAL ANNUAL AUDIT REPORT 2022/23

Representatives from Grant Thornton introduced the report of the Director of Finance which presented the Council's external auditors (Grant Thornton) Annual Audit Report which identified key issues/findings relating to the audit of the 2022-23 statutory accounts. The Annual Audit Report contained a set of recommendations for the Council to implement, alongside Management's response to these recommendations included within in the report.

Members discussed in further detail issues and recommendations highlighted within the report including:

- Uncertainties relating to the Dedicated Schools Grant deficit balance.
- Levels of debt and in-year borrowing.
- Contract procedure rules.
- Levels of Council reserves.
- Risk associated with partnership working with enterprises such as Wirral Growth Company and Edsential.

Members also sought assurance that the committee received oversight on actions taken in response to recommendations within the annual report on a six-monthly basis.

Resolved – That the Annual Audit Report be approved for onward approval to the Policy and Resources Committee, Full Council and publication on the Council website.

53 ANNUAL UPDATE OF WHISTLEBLOWING CONCERNS RAISED IN THE MUNICIPAL YEAR 2023/24

The Principal Lawyer: Litigation & Governance presented the report of the Director of Law and Corporate Services which was an annual report required by the Council's Whistleblowing Policy. The report summarised the number / nature of the concerns raised under the Whistleblowing Policy, details of the service(s) to which the concerns relate, and the steps being taken to investigate the concerns further, and any relevant matters or issues that had arisen in connection with the Whistleblowing Policy. It was reported that During the period 1 April 2023 to date there had been one whistleblowing report made. The concerns/issues raised are within the Resources Directorate in respect of the acquisition of corporate IT systems. Actions and next steps were noted.

Resolved – That the report be noted.

54 ANNUAL UPDATE OF USE OF SURVEILLANCE POWERS UNDER THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

The Principle Lawyer for Litigation and Governance presented the report of the Director of Law and Corporate Services which provided an annual update on issues relevant to certain types of surveillance activity which the Regulation of Investigatory Powers Act 2000 enabled local authorities to carry out. It was reported that in 2023 there had been three applications under RIPA made to the Magistrates' Court to enable test purchases to be made by juveniles (under the supervision of Trading Standards Officers) in conjunction with national enforcement exercises, from retailers who were suspected of selling e-cigarettes to young persons under the age of 18, and one application for the citing of a covert CCTV camera at a location in the Borough for the purposes of investigating incidents of fly tipping.

Members queried the outcomes of the applications made under RIPA in 2023. The Principal Lawyer for Litigation and Governance confirmed that ongoing legal proceedings were under consideration by trading standards in relation to underage sale of e-cigarettes, whilst incidents of flytipping ceased to occur following installation of the covert camera at that location.

Resolved – That the use made by the Council of covert surveillance between 1 January 2023 and 31 December 2023 be noted.

55 **WORK PROGRAMME**

The Director of Law and Corporate Services presented the committee work programme which included all reports of a statutory and legislative nature and reports which are required to be reported to public sector audit committees during the municipal year for compliance with the Public Sector Internal Audit Standard.

Resolved – That the proposed Audit and Risk Management Committee work programme for the 2024/25 municipal year be noted.