



# Cabinet

<b>Date:</b>	<b>Monday, 20 January 2020</b>
<b>Time:</b>	<b>10.00 a.m.</b>
<b>Venue:</b>	<b>Committee Room 1 - Wallasey Town Hall</b>

This meeting will be webcast at  
<https://wirral.public-i.tv/core/portal/home>

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## AGENDA

### 1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members of the Cabinet are asked to consider whether they have any disclosable pecuniary and/or any other relevant interest, in connection with any item(s) on this agenda and, if so, to declare them and state the nature of the interest.

### 2. MINUTES

The minutes of the last meeting have been printed and published. Any matters called in will be reported at the meeting.

RECOMMENDATION: That the minutes be approved and adopted.

## LEADER'S UPDATE

### 3. EXECUTIVE KEY DECISIONS TAKEN UNDER DELEGATED POWERS

**Key Decisions** – taken under delegated powers from 13 December 2019 (date of publication of last Cabinet agenda) to date.

**Town Centre Retail Warehouse - 107 - 127 Claughton Road, Birkenhead**

Decision Maker: Leader of the Council  
Date of decision: 18 December 2019  
Effective from: 3 January 2020

### **Preferred Development Option for New Ferry**

Decision Maker: Leader of the Council

Date of decision: 20 December 2019

Effective from: 7 January 2020

### **Wirral Council to Commit to Keep it Local Campaign**

Decision Maker: Cabinet Member – Finance and Resources

Date of decision: 20 December 2019

Effective from: 7 January 2020

## **CABINET MEMBER REPORTS**

- 4. SITE OF THE FORMER ROCK FERRY HIGH SCHOOL - SALE TO A REGISTERED PROVIDER (Pages 1 - 6)**
- 5. AUDIT AND RISK MANAGEMENT COMMITTEE ANNUAL REPORT 2018/19 (Pages 7 - 32)**

### ***Audio/Visual Recording of Meetings***

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## CABINET

**Monday, 20 January 2020**

### **SITE OF THE FORMER ROCK FERRY HIGH SCHOOL - SALE TO A REGISTERED PROVIDER**

Councillor Janette Williamson, Portfolio Holder for Finance and Resources & Deputy Leader of the Council, said:

“Improving housing availability for residents is a key priority for Wirral. Enabling regenerative projects that also support our local plan in the process are ideal for the area, our green spaces, residents and future homeowners.

“The sale of this particular site will allow the provider to develop affordable housing, bringing much-needed added social value to the area as they repurpose the space to benefit the community.

“As part of an extra care housing scheme, supported by funding from Homes England, the development will see 186 shared ownerships and affordable rent residential units including houses, bungalows and apartments created on the site.

“Of these, more than 100 will be extra care units.

“While the development itself responds directly to the borough’s affordable housing needs, Wirral will also benefit from a capital receipt resulting from the sale of the land, a portion of which will help to pay for the improvement of Riverside Primary school.”

### **REPORT SUMMARY**

This report seeks approval to the sale of part of the site of the former Rock Ferry High School, Rock Ferry.

The sale will support the Wirral Plan and its delivery through the generation of capital receipts and enabling a Registered Provider of social housing to develop 186 new affordable homes in the borough.

This matter affects the Rock Ferry Ward and is a key decision.

### **RECOMMENDATION**

That the Corporate Director of Delivery Services/Assistant Chief Executive be authorised to agree a sale of part of the site of the former Rock Ferry High School to Torus62 Ltd (Registered Society No RS007826) for £2,100,000 plus a contribution of £1,500 towards the Council’s legal costs and Surveyor’s fees.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 To improve housing availability for Wirral residents by working with a registered provider to develop the site for affordable housing purposes and to generate a capital receipt from the sale of the land.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 Options for the whole of the former Rock Ferry High School site were considered by Cabinet at its meeting of 10 September 2015.
- 2.2 The site approved for disposal could be offered for sale on the open market which could generate a higher receipt but would not achieve the affordable housing scheme described later in the report.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Rock Ferry High School was located in Highfield South, Rock Ferry and the site, which extends to approximately 8.3 Hectares, is shown thickly edged on the attached plan. The school was closed in 2011 and the majority of buildings were subsequently demolished, with the exception of one detached building, Ravenswood, the original house which is Grade II listed.
- 3.2 At its meeting of 7<sup>th</sup> November 2013 Cabinet declared the property surplus to operational requirements and approval was given by Members for officers to dispose of the site in accordance with S123 of the Local government Act 1972.
- 3.3 On 10<sup>th</sup> September 2015 Cabinet considered a further report setting out options for the site and also the results of consultation with the public. The resolution was to sell part of the site which housed the former school buildings, for housing development. The site is shown shaded on the plan and extends to approximately 4.65 Ha. As a consequence, officers have liaised with residents and worked with a Registered Housing Provider to identify a suitable housing scheme.
- 3.4 Torus62 Ltd (Torus) has been selected as the preferred Registered Provider to develop this site because they approached Wirral Council with a firm Homes England funding allocation to develop an extra care housing scheme, which they identified was a key priority in Wirral's Housing Strategy. Torus also have Homes England Strategic Partnership status which means they have access to confirmed grant funding to develop additional new affordable homes and they are very keen to develop a number of these homes in Wirral. Subsequently, Torus has worked with the Council's Housing and Investment Team to agree a scheme of 186 residential units comprising 102 extra care units, 66 houses, 10 bungalows and 8 apartments in Ravenswood House which responds to the borough's affordable housing needs. The units will be a mixture of shared ownership and affordable rent and will also include the retention and refurbishment Ravenswood. When complete they will contribute to key pledges and targets within the Wirral Plan including

priorities in Wirral's Housing Strategy and All Age Disability Strategy, both of which include delivering 300 extra care homes in the borough.

3.5 Torus has calculated a residual land value of £2,100,000 to deliver this specific scheme. Their calculation has been independently assessed and is considered to be fair. However, if sold on the open market, the land could potentially achieve a higher figure for open market housing which has been estimated to be in the region of £4,100,000. Members will be aware that under s123 of the Local Government Act 1972, except with the consent of the Secretary of State, the Council shall not dispose of land for a consideration less than the best reasonably obtainable. The Secretary of State has issued a General Consent which applies where:

- a) the Council consider the purpose of disposal is likely to contribute to the achievement of any one or more of the following in respect of any part of its area of any persons resident in its area (i) promotion or improvement of economic well-being; (ii) promotion or improvement of social well-being; (iii) promotion or improvement of environmental well-being and in addition
- b) the difference between the best price as assessed in line with the guidance in the consent and the price to be paid is not in excess of two million pounds.

Council officers consider that, in order to deliver the scheme as described, the terms of the disposal meet the terms of the Consent.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 The sale will generate a capital receipt of £2,100,000 plus a contribution towards the Council's costs. The value of the receipt reflects the added benefit as described in 3.5 (a) above and once completed the Council will benefit from the additional Council Tax from 186 new units.

4.2 The sale will enable Torus to access Shared Ownership & Affordable Homes Programme grant from Homes England of just over £7.5 million.

4.3 A sale of the site will divest the Council of the maintenance responsibility.

#### **5.0 LEGAL IMPLICATIONS**

5.1 The sale is in accordance with the Council's powers as described in para 3.5.

5.2 As a former school, in accordance with section 77 of the School Standards Framework Act 1998 and schedule 1 of the Academies Act 2010, the consent of the Education and Skills Funding Agency is required for a disposal. Such consent was granted on 2<sup>nd</sup> October 2017.

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 There are no IT or staffing implications arising from this report.

## **7.0 RELEVANT RISKS**

7.1 Should the sale to Torus not proceed in a timely manner, it could jeopardise the ability to deliver this scheme, which is subject to Homes England timescales.

## **8.0 ENGAGEMENT/CONSULTATION**

8.1 Officers have consulted with local residents on the proposals for this site. Torus have also undertaken several consultation events and meetings with residents to discuss Torus's proposals and worked with residents to address where possible any matters raised.

## **9.0 EQUALITY IMPLICATIONS**

9.1 There are no equality implications arising from this report.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 The legal transaction to sell the land of itself will have no environment or climate implications.

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## **APPENDICES**

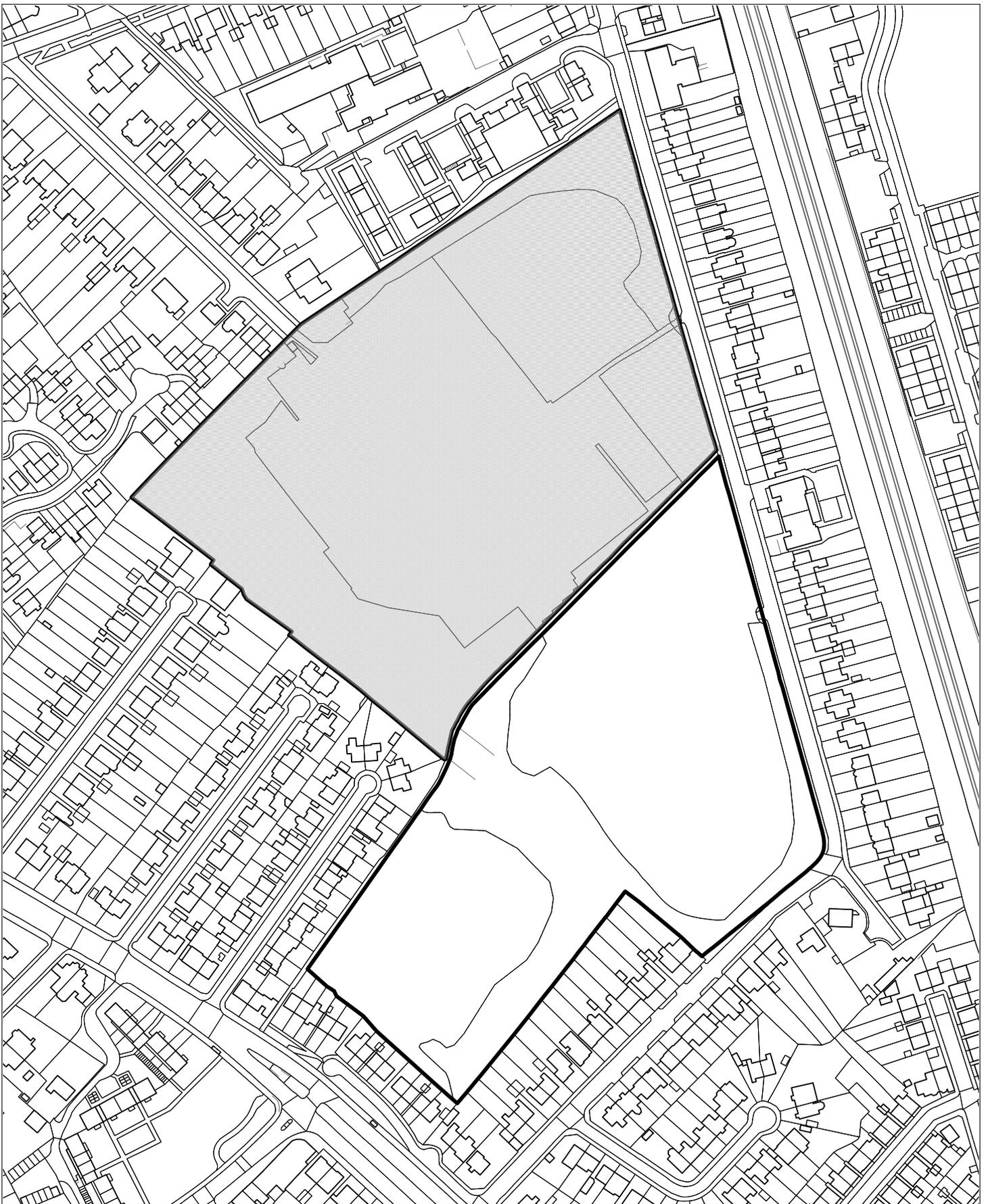
Site Plan

## **BACKGROUND PAPERS**

None

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>



Site of the former Rock Ferry High School  
Ravenswood Avenue  
Rock Ferry  
Wirral  
CH42 4NY

Scale: 1:2500

Date: 26.11.2019



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## MINUTE EXTRACT

### AUDIT AND RISK MANAGEMENT COMMITTEE

18 NOVEMBER 2019

30 **ARMC ANNUAL REPORT 2018/19**

Iain Miles, Internal Auditor Manager introduced the report of the Chief Internal Auditor that informed that to comply with best professional practice the Audit and Risk Management Committee (ARMC) was required to complete an annual report to Cabinet on the work undertaken by the Committee.

To comply with best practice identified in the CIPFA publication 'Audit Committees - A Practical Guidance for Local Authorities 2018', Members were apprised that the annual report for 2018/19 has been prepared by Councillor Adrian Jones, past Chair of the ARMC in consultation with Internal Audit utilising the self assessment checklist provided by CIPFA in its publication 'Audit Committees – Practical Guidance for Local Authorities 2018'.

The report recorded the activities undertaken by the Committee across a wide range of control, risk and corporate governance matters. It informed that during the year, the Committee had met on six occasions and received reports in connection with the full range of issues that fell within its remit. The report indicated the breadth of the Audit and Risk Management Committee's activities to ensure that every aspect of the council's work should be compliant with standards and transparent to its stakeholders.

The Annual Report demonstrated the value that the Committee brought to the Council and the public in ensuring that improvements to the governance arrangements of the authority were being delivered and to the improvement and development of operational standards and protocols across a wide range of governance areas during what had been a very challenging year.

The report also acknowledged the work of the Members of the Audit and Risk Management Committee and the supporting officers, during the past year.

**Resolved – That the Audit and Risk Management Committee Annual Report be approved and submitted to Cabinet and Council for consideration.**

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**Audit and Risk Management Committee**  
**Monday, 18 November 2019**

<b>REPORT TITLE:</b>	<b>ARMC ANNUAL REPORT 2018/19</b>
<b>REPORT OF:</b>	<b>CHIEF INTERNAL AUDITOR</b>

**REPORT SUMMARY**

To comply with best professional practice the Audit and Risk Management Committee is required to complete an annual report to Cabinet on the work undertaken by the Committee.

Attached at Appendix A is the Annual Report prepared by the Chair in consultation with Internal Audit.

**RECOMMENDATION**

That the ARMC Annual Report be approved and submitted to Cabinet for consideration.

## **SUPPORTING INFORMATION**

### **1. REASON FOR RECOMMENDATION**

- 1.1 To comply with best practice identified in the CIPFA publication 'Audit Committees - A Practical Guidance for Local Authorities 2018'.

### **2. OTHER OPTIONS CONSIDERED**

- 2.1 No other options considered.

### **3. BACKGROUND INFORMATION**

- 3.1 The Department for Communities and Local Government (DCLG) issued amended regulations in 2006, to the 2003 Accounts and Audit Regulations – 'The Accounts and Audit (Amendment) (England) Regulations 2006.
- 3.2 One of the amended regulations impacts on the process for preparing the Statement of Internal Control (SIC) which is subsumed within the Annual Governance Statement (AGS) and relates specifically to the the systems of internal audit in operation. This is:-
- Regulation 6 requires bodies to regularly review their system of internal audit, and for the findings to be considered by a committee of the body, or by the body as a whole.
- 3.3 Advice from CIPFA includes the assertion that the "systems of internal audit" can be considered to include the role and effectiveness of the Audit Committee which therefore should be assessed and evaluated.
- 3.4 To assist Councils in this evaluation exercise CIPFA in its publication 'Audit Committees – Practical Guidance for Local Authorities 2018' has provided a self assessment checklist and recommended that this be completed annually by the Committee.
- 3.5 An annual report for 2018/19 has been prepared by the Chair in consultation with Internal Audit and is attached at Appendix A for consideration and approval by the Members.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 There are none arising from this report.

### **5. LEGAL IMPLICATIONS**

- 5.1 There are none arising from this report.

### **6. RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 There are none arising from this report.

**7. RELEVANT RISKS**

7.1 Potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.

**8. ENGAGEMENT/CONSULTATION**

8.1 Members of this Committee have been consulted throughout the process regarding the content of the annual report and their views are reflected in the final document attached.

**9. EQUALITY IMPLICATIONS**

9.1 There are none arising from this report.

**10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 There are none arising from this report.

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**APPENDICES**

Audit and Risk Management Committee Annual Report 2018/19

**BACKGROUND PAPERS**

CIPFA Publication 'A Practical Guidance for Local Authority Audit Committees 2108'

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit and Risk Management Committee	Annual Report

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**APPENDIX A**

**Audit and Risk Management Committee**

**Annual Report 2018/19**

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**Councillor Jeff Green**  
**Oct 2019**

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## 1. Foreword

*I am pleased to present the Audit and Risk Management Committee's Annual Report for 2018/19. It records the activities undertaken by the Committee across a wide range of control, risk and corporate governance matters.*

*During the year, the Committee met on six occasions and received reports in connection with the full range of issues that fall within its remit. This report indicates the breadth of the Audit and Risk Management Committee's activities in ensuring that every aspect of the council's work should be compliant with standards and transparent to its stakeholders.*

*I strongly believe that this Annual Report demonstrates the immense value that the Committee brings to the Council and the public in ensuring that improvements to the governance arrangements of the authority are being delivered. As the Chair I can clearly see the immense contribution that the Audit and Risk Management Committee has made to the improvement and development of operational standards and protocols across a wide range of governance areas during what has clearly been a very challenging year.*

*Finally, I would like to acknowledge the sterling work of the Members of the Audit and Risk Management Committee and the supporting officers, during the past year.*

By the Chairman of the Audit & Risk Management Committee during 2018/19  
Councillor Adrian Jones

## **2. Background**

### **2.1 What drives Governance Policy**

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

Effective corporate governance is a fundamental feature of any successful public sector organisation.

A sound corporate governance framework involves accountability to service users, stakeholders and the wider community, within which authorities take decisions, and lead and control their functions, to achieve their objectives. It thereby provides an opportunity to demonstrate the positive elements of an authority's business and to promote public confidence.

Wirral Council has adopted the revised local Code of Corporate Governance.

### **2.2 Why do we need an Audit Committee**

While there is no statutory obligation to have such an arrangement, Audit Committees are widely recognised as a core component of effective governance and therefore reflect good practice. Wirral's Audit and Risk Management Committee is properly constituted and, as such, is given sufficient authority and resources by the Council. In effect, the Committee has the right to obtain all the information it considers necessary and to consult directly with senior managers. In line with best practice from both the public and private sectors, the Audit and Risk Management Committee can report its observations and concerns directly to Cabinet/Council.

A local authority has a duty to ensure that it is fulfilling its responsibility for adequate and effective internal control, risk management, and governance, as well as the economy, efficiency and effectiveness of its activities. The Audit and Risk Management Committee has a key role in overseeing and assessing the internal control, risk management, and corporate governance arrangements and advising the Council on the adequacy and effectiveness of these arrangements.

### 2.3 What does an Audit Committee do

The Audit and Risk Management Committee's main responsibilities are to oversee the Council's corporate governance arrangements, the work of internal audit, and the Council's response to external audit and other external inspections.

This purpose is reflected in the committee's terms of reference which are reviewed and adopted each year (Attached at Appendix 1).

### 2.4 How do Officers Support the Committee?

The Audit and Risk Management Committee is supported by:

- The Monitoring Officer who is required by law to ensure that the Council acts within its legal powers at all times; and,
- The Director of Finance and Investments, as Section 151 Officer who is responsible under the law for ensuring the proper administration of the council's financial affairs.
- The Chief Internal Auditor who has a key role to play in supporting the Committee because of the importance of the Internal Audit service to governance.
- Any other officer of the Council as required.

### **3. 2018/19 Financial Year**

This Annual Report for 2018/19 produced by the Audit and Risk Management Committee has been prepared in accordance with the CIPFA best practice publication '*A Toolkit for Local Authority Audit Committees*'. The report demonstrates how the Audit and Risk Management Committee has fulfilled its terms of reference during a very difficult year and how it is fully committed to helping to improve the Council's governance and control environments during what should prove to be a very challenging year ahead.

The committee's activities during 2018/19 were designed to make a positive contribution to the continual improvement of governance arrangements across the Council, as well as performing the statutory roles as identified in the Constitution.

### **4. Some Key Information**

#### **4.1. Audit and Risk Management Committee Membership**

During 2018/19 the Audit and Risk Management Committee had the following 9 Members:

Councillor Adrian Jones – Chair  
Councillor Jeff Green - Spokesperson  
Councillor David M Elderton  
Councillor Liz Grey  
Councillor Tom Anderson

Councillor Angela Davies  
Councillor Phil Gilchrist - Spokesperson  
Councillor Ron Abbey  
Councillor Paul Doughty

#### 4.2. Key Features of the Audit Committee and its Operation

The Committee meets CIPFA's definition of best practice as illustrated below:

Best Practice	Expectation	Met	Comment
Independence	Independent from the executive and scrutiny	√	The Committee reports to the Council
Number of Members	Minimum of 3 to 5 members	√	The Committee has 9 Members
Number of meetings	Aligned to business needs	√	The frequency of meetings, 5 times a year complies with best practice.
Co-option	To be considered relative to skills	√	Training is currently provided to increase Members' skills.
Terms of Reference	Accord with suggested best practice	√	The Committee has adopted the CIPFA recommended model.
Skills and training	Members have sufficient skills for the job	√	General and specific training is provided to increase Members' skills.

#### 4.3. Meetings and Attendance

The Audit Committee normally meets 5 times per year in January, March, July, September and November.

Attendance by Members and approved deputies was over 90%.

## 5. Core Activity During 2018/19

### 5.1. Terms of Reference

The Audit and Risk Management Committee's Terms of Reference are comprehensive, comply with best practice, cover all key areas and are attached at Appendix 1 to this annual report. The Committee's work and outcomes in each of its areas of responsibility are summarised in the following subsections.

#### *Internal Audit*

The Audit and Risk Management Committee:

- Approved the Chief Internal Auditor's Audit Plan,
- Considered regular reports produced by the Chief Internal Auditor, highlighting internal audit work completed, internal audit performance against key indicators and any significant issues arising during the period,
- Approved amendments to reporting arrangements including development of the summary reports from Internal Audit,
- Considered the Chief Internal Auditor's Annual Report and assurance opinion on the Council's control environment,
- Considered reviews of the effectiveness of the systems of internal audit,
- Ensured internal and external audit plans were complementary and provided optimum use of the total audit resource,
- Received updates on the Internal Audit Counter Fraud Teams' remit and activities undertaken,
- Received and considered updates on the Public Sector Internal Audit Standards,
- Considered reports on audit investigations conducted,
- Considered and approved revisions to Chief Internal Auditors Audit Plan.
- Considered the outcome of the Internal Audit Quality Assurance Improvement Programme assessment.
- Reviewed the Council's progress on all internal audit recommendations on a regular basis and asked managers to explain progress where appropriate, thereby holding them to account,
- Received progress updates from relevant Senior Managers regarding audit recommendations implementation (ICT/HR),

We continue to provide support to the Internal Audit service to ensure management is responsive to recommendations made and agreed.

### ***External Audit***

The Audit and Risk Management Committee:

- Considered the external auditor's Audit Plan,
- Considered progress against the plan presented by the external auditor
- Received and considered all external audit findings and inspection reports issued in the year and considered management's response to them, ensuring robust and thorough responses,
- Reviewed the external audit Committee Update reports and took appropriate actions in response to issues presented,
- Reviewed the Council's progress on all external audit and inspection recommendations on a regular basis and asked managers to explain progress where appropriate, thereby holding them to account,
- Received and considered all of the external auditors reports on the Merseyside Pension Fund,
- Considered the external auditor's Annual Audit Letter.

We continue to provide support to external audit to ensure management is responsive to recommendations made and agreed.

### ***Risk Management***

The Audit and Risk Management Committee:

- Considered regular reports on the Departmental and Corporate Risk Registers and challenged policy and process,
- Provided significant input to the development of the risk registers through Member workshops,
- Considered reports on the proposed development of corporate Risk Management arrangements,
- Promoted Risk Management across the Council,
- Considered reports on Corporate Risk and Insurance Management,

- Considered reports on the Corporate Risk Management Policy and the management of risk.

We continue to provide support to promote effective Risk Management policy and procedures across the Council and ensure best practice is achieved.

### ***Internal Control and Governance***

The Audit and Risk Management Committee:

- Agreed the Council's Annual Governance Statement,
- Considered reports on progress made to address significant governance issues identified in the AGS,
- Implemented a mechanism for escalating any items of note to Cabinet,
- Supported the ongoing development of a Mersey region Counter Fraud Group,
- Engaged with and supported the annual Counter Fraud Awareness Week initiative,
- Supported work undertaken as part of the Cabinet Offices' National Fraud Initiative,
- Considered and supported amendments to the Council's counter fraud arrangements,
- Approved the Code of Corporate Governance,
- Approved the updated Audit and Risk Management Committee self-assessment checklist,
- Considered reports on Contract Procedure Rules compliance,
- Approved updates to the Council's Contract Procedure Rules,

The Annual Governance Statement is a key document which summarises the Council's governance arrangements and the effectiveness of the arrangements during the year.

### ***Accounts***

The Audit and Risk Management Committee:

- Agreed the Council's accounting policies,

- Agreed the Annual Statement of Accounts,
- Received and considered the external auditor's report on the accounts, and ensured that the Council responded to the auditor's comments,
- Received and considered the Council's Medium-Term Financial Strategy,
- Agreed the annual Merseyside Pension Funds accounts,
- Received and considered the external auditor's report on the MPF accounts and responded to comments,
- Received and reviewed reports on the Insurance Fund Budget and Annual Report.

The Audit and Risk Management Committee received regular reports on the Council's Treasury Management arrangements in the context of the economic downturn.

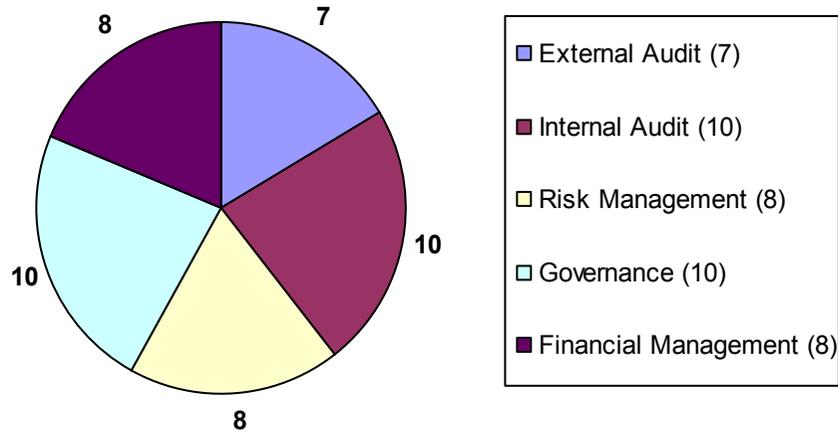
### ***Specific Issues***

The Audit and Risk Management Committee also considered reports and presentations on the following specific issues which arose in the period:

- Regulation of Investigatory Powers Act 2000,
- Insurance arrangements and performance,
- Officer Progress Updates (HR, Digital, Highways, OFSTED, Procurement)

To give a flavour of our business during the year, the following shows the types and numbers of reports considered between April 2018 and March 2018:

## 5.2. Numbers & Types of Reports Considered by the Audit Committee



## 6. Other Activities

During the year, the Committee demonstrated its commitment to good governance by:

- i) Overseeing the implementation of actions to address significant governance issues identified in the Annual Governance Statement 17/18;
- ii) Devoting significant resource to addressing governance issues arising including the development of improved risk management arrangements;
- iii) Referring matters to other bodies for attention as appropriate;
- iv) Asking Chief Officers to attend as appropriate and present reports on issues identified which affected governance.

## 7. Outcomes

The Audit and Risk Management Committee aims to focus on adding value through its activity. By concentrating on outcomes the Committee can identify the benefits of its work. In particular this year the Committee:

- Oversaw work on the Statement of Accounts;
- Encouraged and presided over a strengthening of the control environment, specifically by overseeing various targeted reviews and the production of the Annual Governance Statement;
- Presided over significant changes in the structure of the organisation including officers with statutory responsibilities to ensure the proper administration of financial affairs and systems of internal control;

- Encouraged and presided over developments and improvements to strengthen the delivery of the Internal Audit service to ensure continued compliance with the Public Sector Internal Audit Standards;
- Presided over the further development of the system for routinely reporting actions taken by officers in relation to items identified as being significant governance issues in the Annual Governance Statement;
- Endorsed the strengthening of the governance arrangements through further consideration and approval of the Code of Corporate Governance;
- Encouraged a strengthening of the Council's overall control environment; specifically by overseeing various targeted reviews and the production of and challenge to the Annual Governance Statement;
- Challenged risk management arrangements and facilitated the development of radical improvements in this area including the introduction of Members workshops.
- Encouraged a strengthening of the Council's governance arrangements in operation over the appointment of agency workers and related tax arrangements through the oversight of a number of targeted reviews and investigations during the year;
- Ongoing contribution to the development of improved governance in operation over the Council's procurement arrangements through oversight and challenge regarding a number of targeted reports and reviews in this area during the year;

In addition, individual Members and the Audit Committee collectively continued to develop and learn about our roles including development and attendance at professional training sessions targeted specifically at Audit Committee Members, and enabling us to deliver our roles more effectively.

## 8. Plans for 2019/20

During 2018/19 the Audit and Risk Management Committee has consolidated the progress that has been made in recent years and has performed well providing challenge and support to the organisation in equal measure. Going forward we will look to develop our role further as the recognised champion of good governance and the ultimate vehicle for assuring that adequate challenge is provided to the Council to ensure that effective systems of control and governance are in operation and being complied with. Consequently, with a new Chair we are embarking upon a period of change to the Committee designed to increase its effectiveness that will include revising the existing terms of reference for the Committee, pulling on the latest best practice in this area that will see the introduction of a number of initiatives including more targeted training and workshops for Members across a range of key disciplines. The Committee will in future work more closely with officers to obtain appropriate assurances regarding the operation and control over key systems, helping to address any identified issues in what promises again to be a very challenging environment. Our priorities for 2019/20 are to implement all of the developments mentioned as well as continuing to meet our duties as specified in the Constitution by developing and building on our current status as well as operating more proactively to address all challenges faced as well as implementing any new requirements as they arise.

For 2019/20 we will:

- Oversee the development of the Wirral Council Audit and Risk Management Committee;
- Develop working relations with officers to improve understanding of our respective roles;
- Provide challenge to the Council to ensure that standards are continuously met, and the demanding requirements of the external inspection and assessment regime are achieved;
- Oversee reviews of the Council's governance arrangements in operation, obtaining appropriate assurances that the Council adopts the very latest best practice in key areas such as operational performance and compliance;
- Commission reviews and reports on the effectiveness of the Council systems in key areas such as whistleblowing and legislative compliance seeking assurances that operations are robust and effective;
- Support the work of Internal and External Audit and ensure that any recommendations identified by them are actioned in a timely fashion;
- Contribute to the development of key corporate operations including Risk Management and Business Continuity;

- Ensure that all aspects of the Public Sector Internal Auditing Standards are complied with;
- Help the Council to manage the risk of fraud and corruption by supporting the work of Internal Audit and colleagues in this area;
- Develop the Wirral Council Audit and Risk Management Committee to review risk and partnerships' issues and safeguard public sector interests;
- Oversee the development of audit plans to evaluate and test controls in respect of services delivered either by trading companies run by the Council or on behalf of them;
- Equip existing and any new Members to fulfil our responsibilities by providing more detailed and effective training on all key areas of responsibility including financial arrangements and risk management, governance and internal audit operations.

## 9. Appendix 1

### Audit and Risk Management Committee – Terms of Reference

1. To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process.
2. The Committee has the following duties, powers and authorities:
  - 2.1. approval of the Council's statement of accounts;
  - 2.2. the responsibilities of the Council under section 151 of the Local Government Act 1972 to make proper provision for its financial affairs;
  - 2.3. to consider and make recommendations to Council or Cabinet as appropriate on;
    - 2.3.1. the annual Audit Report and the Management Letter of the external auditor;
    - 2.3.2. any other statutory report of the external auditor;
    - 2.3.3. any internal audit report that may be referred to the committee by the Chief Executive, the Director of Finance, the Chief Internal Auditor or the Head of Legal and Member Services (as Monitoring Officer);
    - 2.3.4. summaries of specific internal audit reports as requested;

- 2.3.5. the effectiveness and adequacy of the response by the Council, the Cabinet, any committee or sub-committee of the Council or of any officer to any internal or external audit report or management letter;
- 2.3.6. the systems of control and the arrangements for the prevention of fraud and corruption within the Council;
- 2.3.7. any other matter relevant to the audit of the Council's accounts and financial records or its systems for the control and safeguarding of all the Council's assets;
- 2.3.8. a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale; and
- 2.3.9. the Head of Internal Audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and The level of assurance it can give over the Council's corporate governance arrangements;
- 2.4. to approve (but not direct) the strategy, plan and performance of the Council's internal audit service;
- 2.5. to oversee the production of the Authority's Annual Governance Statement and subsumed Statement on Internal Control and recommend its adoption;
- 2.6. to maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and to make recommendations to Council or Cabinet, as appropriate;
- 2.7. to monitor the Council's policies on "Raising Concerns at Work", to the anti-fraud and corruption strategy and the complaints procedure;
- 2.8. to liaise with the Audit Commission over the appointment of the Council's external auditors.
3. The Chair of the Audit and Risk Management Committee shall act as the Council's Risk Management Champion.
4. Executive Members will not normally be members of the Audit and Risk Management Committee.

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