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AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 27 September 2021

Present:

Councillor	K Hodson (Chair)	
Councillors	D Brennan K Cannon AER Jones I Lewis S Kelly	J Johnson T Smith Jason Walsh C Jones

12 WELCOME AND INTRODUCTION

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

13 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 David Brennan declared a personal interest in items 8 and 11 as a member of Merseyside Pension Scheme.

14 QUESTIONS AND STATEMENTS

There were no questions, statements or petitions from the public or from Members.

15 MINUTES

Resolved – That the minutes of the meeting held on 5 July 2021 be approved.

16 INTERNAL AUDIT UPDATE

Audit Manager Iain Miles introduced this report of the Chief Internal Auditor, which identified and evaluated the performance of the Internal Audit Service and included details of issues arising from the actual work undertaken during the period 1st July to 31st August 2021. Notable issues included the governance of the Wirral Growth Company and recommendations made concerning the recording of Section 106 planning agreements.

Members questioned elements of the report and established:

- That the outcome of the adult safeguarding review would be reported to a future meeting
- An action plan had been developed regarding Section 106 agreements and follow-up review was to be undertaken and would be reported to the March Audit and Risk Management Committee.

Resolved:

That the report be noted and a report update on section 106 audit details and new arrangements be brought to the March Audit and Risk Management Committee.

17 **CORPORATE RISK MANAGEMENT UPDATE**

Shaer Halewood, Director of Resources, presented this report which provided an update on the Council's risk management arrangements and areas of risk management focus over the following year. Shaer noted that since the last meeting quite a few things had taken place which had impacted it, including:

- The refreshed Wirral Plan which aligned internal delivery plans in line with the themes of the Wirral Plan. This provided an opportunity to look at risks within programmes and directorates as well as Corporate Risks.
- An engagement session with Insurance risk advisors Zurich Municipal, reviewing the Council's approach to risks. They had given the opinion that 22 risks was high compared to other authorities where 10-12 was common. Some risks may be able to transfer to directorate risk registers rather than remain on the corporate.
- A staff survey by Zurich Municipal to get views on appetite of risk. The outcome of this would be given to this Committee's Risk Sub-Group then return to this Committee.
- The Council's Senior Leadership Team were to review the corporate risk register following the Zurich session and the outcome of this would be given to this Committee's Risk Sub-Group then return to this Committee.

Members questioned aspects of the update and established:

- Members get informed of risks and events via performance dashboards for Committees, and Chairs and spokespersons of Committees have briefings with departmental officers
- Employees and Members were bound by a Code of Conduct and People Strategy to act in a proper manner and should report risks
- The loss of expertise when specialised staff leave could be a Council-wide risk
- Climate change incidents were now being assessed as being more likely
- Underachievement and digital poverty following the Covid-19 pandemic could be picked up by Ofsted and could be added as a Corporate Risk

**Resolved –
That the report be noted.**

18 **EXTERNAL AUDIT UPDATE REPORT 2020/21**

Naomi Povey from external auditors Grant Thornton presented this report of the Director of Resources which provided the progress and update report from external auditors Grant Thornton for the year ended 31st March 2021. Naomi informed Members that the auditors were on target to meet the November date for completion of the finances audit and there were no items so far to draw Members' attention to.

**Resolved –
That the update provided by the Council's external auditors be noted.**

19 **FINANCIAL SUSTAINABILITY - COMPARISON WITH OTHER LOCAL AUTHORITIES**

Diane Grisdale, Senior Finance Manager, presented the report of the Director of Resources which gave the results of a review of the financial position and governance of Wirral which had been undertaken following a number of other Councils issuing Section 114 notices and receiving Public Interest Reports (PIR) from their external auditors. This report set out the findings from these reviews and compared them with Wirral's financial position and governance alongside any lessons learnt.

Members discussed the report and noted the difficulty of comparing Councils as some had different financial policies such as levels of reserves.

Councillor Kate Cannon, who was concerned that the comparisons were not strong enough to review, moved an amendment to delete 'review' in 'To review the lessons learnt' and change it to 'note'.

This was seconded by Councillor Kathy Hodson and agreed.

**Resolved –
That the contents of the report, lessons learnt, actions, and how Wirral is ensuring it moved to a more financial sustainable position be noted.**

20 **WHISTLEBLOWING POLICY**

Paul Martin, Principal Lawyer, presented this report of the Director of Law and Governance which detailed the Council's Whistleblowing Policy which had been approved by the Constitution and Standards Committee on 24 February 2021. This Committee was to undertake the implementation of the policy. The purposes were set out in law for people to report illegal activities or failure to

comply with procedures. There were several ways to report: on a form; in person; or to a relevant external body if one oversaw the functions.

Members confirmed that people could remain anonymous when they made contact.

Resolved – That

- (1) the contents of the Whistleblowing policy be noted;**
- (2) comments they have in respect of the Policy be provided to the Constitution and Standards Committee; and**
- (3) the steps being taken to implement and raise awareness in respect of the Policy be endorsed.**

21 2020/21 DRAFT STATEMENT OF ACCOUNTS UPDATE

Diane Grisdale, Senior Finance Manager, presented this report of the Director of Resources which included the draft unaudited 2020/21 Statement of Accounts and an update on changes to the accounts, prior to the final accounts being presented later in the year as final. The Statement of Accounts set out the Council's financial position as at the 31 March 2021, along with a summary of its income and expenditure for the year ended 31 March 2021. The draft unaudited Accounts were published on the Council's website ahead of the revised statutory deadline of 31 July 2021.

Members discussed the detail in the report, including business rates, Council tax debts and remuneration.

Resolved – That

- (1) the draft, unaudited Statement of Accounts for 2020/21 be noted; and**
- (2) the changes to the draft accounts as set out in paragraph 3.9 be noted.**

22 INTERNAL AUDIT POLICIES AND PROCEDURES

Iain Miles, Audit Manager, introduced this report of the Chief Internal Auditor, which presented the updated Internal Audit Charter and Strategy and Quality Assurance & Improvement Programme, following a review to ensure continued compliance with the Public Sector Internal Audit Standards (PSIAS).

Resolved –

That the revised Internal Audit Charter and Strategy and Quality Assurance Improvement Programme be noted.