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AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 27 June 2022

Present:

Councillor	S Mountney (Chair)	
Councillors	S Kelly	T Cox
	Jason Walsh	S Powell-Wilde
	A Davies	
Independent Persons		J Byrne
		P McAlister

1 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.

2 APOLOGIES FOR ABSENCE

There were no apologies for absence.

3 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. There were no declarations of interests.

4 MINUTES

Resolved –

That the minutes of the meeting held on 15 March 2022 be approved.

5 PUBLIC AND MEMBER QUESTIONS

There were no questions, petitions or statements received for this meeting.

6 INTERNAL AUDIT UPDATE

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 undertaken during the period 1st March to 31st May 2022.

Members noted the counter-fraud training and campaign being undertaken and that further reports were to follow on particular matters and that the level of detail in the reports would be reviewed.

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

7 ANNUAL ARMC REPORT 2021-22

The Chief Internal Auditor presented a report on behalf of the Chair which summarised the work undertaken by the Committee in the previous year. Reporting this annually complied with best professional practice.

**Resolved –
That the Annual ARMC Report for 2021-22 be approved and submitted to Council.**

8 CHIEF INTERNAL AUDITORS ANNUAL REPORT AND OPINION 2021-22

Mark P Niblock Chief Internal Auditor presented his report which he was required to present annually and which provided assurance about the controls. It had been a challenging year with pandemic related activities.

In answer to Members' questions, it was established that:

- Audit staffing had been static to date
- Hybrid working had worked well but was being closely monitored
- The audit of Section 106 agreements had shown risks around the collection of monies and record keeping and there were actions to improve the process from start to finish. Follow up audit work to evaluate progress on actions had been scheduled for later in the year and the outcomes from this would be reported to Committee
- There was staff training around the 'no PO no pay' policy as well as improved controls and there had been a marked improvement in the figures
- data centre security had been an issue as the data collection centre was used by non-Council staff but most data had now been moved to a specialist data warehouse.

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

9 CORPORATE RISK MANAGEMENT UPDATE

The Risk, Continuity and Compliance Manager presented the report of the Director of Resources which was a regular risk management update report, looking at looking at corporate risks and the efforts to identify and manage

risks. It was noted that the list was dynamic as environments and situations changed over time. It included the Council's risk management arrangements and areas of risk management focus over the following year.

Members were interested in data security and would be sent information on this outside of the meeting.

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

10 **EXTERNAL AUDIT PLAN WIRRAL COUNCIL 2021-22**

The Senior Finance Manager Strategy, Policy & Financial Accounts presented the report of the Director of Resources which detailed the plan for the audit of the Council's financial statements by the Council's appointed auditors, Grant Thornton, which was to take place during the Summer, to be reported back to the Committee in October 2022. The complexity of finances during the year was noted

Members discussed the detail and the harshness of the reports as well as the timeframe.

Resolved – That

- (1) the proposed Audit Plan be noted and it be confirmed that the arrangements set out will meet the Committee's expectations with regard to providing independent scrutiny.**
- (2) the report provided by the auditors be noted.**
- (3) the update of the Statement of Accounts be noted.**

11 **EXTERNAL AUDIT PLAN MERSEYSIDE PENSION FUND 2021-22**

Sarah Ironmonger from Grant Thornton presented the report of the Director of Resources which informed Members of the plan for the external audit of the Merseyside Pension Fund's Statutory financial statements for 2021/22. The results of this audit will be reported back to the Committee.

Members queried some of the terms in the report.

**Resolved –
That the external audit plan for 2021/22 as prepared by Grant Thornton be noted.**

12 **REVIEW OF CONTRACT PROCEDURE RULES**

The Committee's Solicitor presented the report of the Director of Law and Governance which detailed proposed changes to the Contract Procedure Rules following a review of the provisions. They had to be reviewed every two

years. Some of the changes were technical regarding change of rules such as those caused by leaving the EU. Others derived from a report by CIPFA which recommended that the limits for contracts being allowed by officers be changed to speed up contracts where there was little risk and the value for money was recognised.

Members queried the detail in the report and expressed reservations regarding the level and route for reporting of breaches in section 3.2.3. They felt the new version weakened the controls.

Councillor Tony Cox proposed that for section 3.2.3 the original text be preserved.

This was seconded by the Chair and agreed by assent.

Members also clarified the procedures around the opening of tenders and requested a process map to help people unfamiliar with the process.

Resolved –

That the changes to the Contract Procedure Rules that are highlighted in the appendix to this report be approved with the exception of section 3.2.3 where the original text is to be preserved, and Constitutional and Standards Committee be asked to recommend their adoption by the full Council as part of the Council's Constitution.
