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AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 27 June 2023

Present:

Councillor	J Johnson (Chair)	
Councillors	GJ Davies	I Lewis
	P Basnett	S Kelly
	M Skillicorn	N Graham
Independent Persons	J Byrne	

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.

The following declarations were made:

- Councillor Paula Basnett declared personal interests by virtue of being a Foster Carer, a member of the town deal board and the Chair of Wirral Chamber of Commerce.
- Councillor Naomi Graham declared a pecuniary interest by virtue of being a member of Merseyside Pension Fund, and a personal interest by virtue of her husband's employment.
- Councillor George Davies declared a personal interest by virtue of his wife being a member of Merseyside Pension Fund.
- Councillor Ian Lewis declared a personal interest by being the founder of a community group involved in a community asset transfer of Wallasey Village Library.

4 MINUTES

Resolved – That the minutes of the meeting held on 1 March 2023, be approved.

5 PUBLIC AND MEMBER QUESTIONS

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

6 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 undertaken during the period 1 March to 31 May 2023. Appendix 1 outlined items of note, including a review undertaken of the access controls within the Liquidlogic (children's) system and continued support of Internal Audit in the implementation of Oracle Fusion system.

Resolved – That the report be noted.

7 INTERNAL AUDIT PLAN - 2023-24

The Chief Internal Auditor presented a report identifying the Internal Audit Plan for 2023-24 which was in line with professional standards for a risk based Internal Audit plan in Local Government. The work scheduled within the plan reflected findings of an extensive planning exercise to ensure relevance of risks previously identified, alongside inclusion of risks to the organisation that had emerged since the exercise or were likely to emerge in the near future. It was noted that the plan was thematic rather than focused upon specific pieces of work in order to reflect the changing nature of risks over time and to provide flexibility.

Commenting upon the plan, Members sought assurance that the Council's complaints procedures were operating effectively and requested an overview of the data relating to complaints received. The Chief Internal Auditor was to produce a briefing note in advance of the next committee meeting to provide an overview of complaints received.

Resolved – That the work proposed in the Internal Audit Plan for 2023/24 be endorsed in accordance with the terms of reference for the Audit and Risk Management Committee.

8 CIA ANNUAL REPORT AND OPINION 2022-23

The Chief Internal Auditor presented a report which summarised the work undertaken by the Internal Audit Service in the previous year. The report also provided an annual opinion on the overall adequacy and effectiveness of the Council's control and governance processes, which was in accordance with Public Sector Internal Audit Standards (PSIAS) requirements. It was reported that the opinion of the Chief Internal Auditor was that the Council generally

maintained adequate and effective control and governance processes overall. The opinion noted that where weaknesses in the design or application of controls had been identified, there had been positive engagement with management in agreeing recommendations. Action plans were in place to address all issues identified through the work of internal audit.

In response to questions from Member relating to risks associated to compliance with no Purchase Order – No Pay Policy, the Chief Internal Auditor outlined that a Task and Finish group was being led by the Director of Finance to address issues identified and a report would be brought to the next committee meeting following the outcomes of the group.

Resolved – That the report be noted.

9 **RISK MANAGEMENT UPDATE - CORPORATE RISK REGISTER**

The Risk, Continuity & Compliance Manager presented a 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. It was noted that a detailed review of the Corporate Risk Register had been undertaken following discussion with the Council's Senior Leadership Team, which had resulted in a reduction of risks from the register which had grown to over 20 as of March 2023. Appendix 1 detailed the outcome of the review, with an updated register of 8 corporate risks set out.

Members expressed concern that risks relating to Safeguarding and Special Educational Needs and Disabilities (SEND) had been devolved to the respective Directorate Risk Registers. The Risk Continuity and Compliance Manager set out that all devolved risks would be reconsidered by the relevant directorates and directors had the opportunity to put forward risks to the Senior Leadership Team for re-escalation to the Corporate Risk Register. Until further assurance was provided that the risks could be managed on a directorate level, it was:

Resolved – That the report be noted with

- 1. the re-inclusion of the SEND and Safeguarding Risks on the Corporate Risk Register; and**
- 2. the Senior Leadership Team will further reconsider the Register in light of the Committee's discussions.**

10 **MERSEYSIDE PENSION FUND EXTERNAL AUDIT PLAN 2022-23**

Stuart Basnett from Grant Thornton presented a report of the Director of Finance which informed Members of the plan for the external audit of the Merseyside Pension Fund's Statutory financial statements for 2022/23. The results of the audit would be reported back to the Committee.

Resolved – That the External Audit Plan for 2022-23 as prepared as Grant Thornton be noted.

11 WIRRAL COUNCIL EXTERNAL AUDIT PLAN AND PUBLIC SECTOR UPDATE 2022-23

Naomi Povey from Grant Thornton presented a report of the Director of Finance 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 September 2023. The report also contained a public sector update from Grant Thornton.

Resolved – That

- 1. The proposed Audit Plan be considered confirming that the arrangements set out meet the Committee's expectations with regard to providing independent scrutiny.**
- 2. The report be noted.**
- 3. The Public Sector Update be noted.**

12 DRAFT STATEMENT OF ACCOUNTS AND DRAFT ANNUAL GOVERNANCE STATEMENT FOR 2022/23

The Senior Finance Business Partner introduced a report of the Director of Finance which presented the draft unaudited Statement of Accounts for 2022-23 alongside the draft Annual Governance Statement for 2022-23. The Statement of Accounts set out the Council's financial position as at the 31 March 2023, along with a summary of its income and expenditure for the year ended 31 March 2023. The Annual Governance Statement reflected key governance issues up to the date of the approval of the annual statement of accounts, and therefore a final version was to be reported to the Committee in September 2023 for approval along with the final version of the Council's financial statements. It was noted that the draft Annual Governance Statement was published on the Council's website within the statutory deadline of 31 May 2023. However, due to an uncontrollable delay in receiving actuarial reports from external sources, the draft unaudited Statement of Accounts were published on the Council's website on 2 June 2023.

Resolved – That

- 1. The draft, unaudited Statement of Accounts for 2022/23 be noted; and**
- 2. The Annual Governance Statement for 2022/23 be noted and approved, including the actions planned in 2023/24 to address the**

two significant governance issues identified from this year's annual governance review.

13 **SOCIAL IMPACT FUND**

The Senior Finance Manager for Major Projects and Corporate Activity presented a report of the Director of Finance which provided an update on the Council's investment in the Altana Social Impact Fund. Audit and Risk Management Committee requested in July 2022 that a report be brought in regard of Social Impact Fund Investment to a future meeting of the Committee. This was in response to Grant Thornton's, the Council's external auditors, External Audit Annual Report 2020-21.

Members discussed the level of investment returns over the previous 3 years since investment in the Fund and the anticipated returns in the forthcoming years, the length of the investment, the types of investments carried out by the Fund and the impact of inflationary factors and bond increases.

Resolved – That the report be noted.

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