

### Appendix 3 - Grant Thornton Annual Audit Report 2023-24 – Key and Improvement Recommendations

#### Key Recommendations

Page	Description	Grant Thornton Recommendation	Wirral Management Response
9	<p><b>Key rec 1: Financial sustainability - DSG</b></p>	<p>We recommend the Council to place a significant and urgent focus on developing and implementing interventions which will support the management and mitigation of the Dedicated Schools Grant (DSG) deficit. Additionally, the financial risks relating to the DSG deficit should be added to the Council's Corporate Risk Register.</p>	<p>As part of the Delivering Better Value (DBV) programme that was completed between June 2023 and February 2024, Wirral Council submitted a full DSG management plan. The DfE had to be satisfied the DSG management plan was effective for the funding to be released, which it was. The current financial path the Council is tracking is following the expected outturns that were included in the DBV programme.</p> <p>As part of the DBV programme, 5 different workstreams have been developed, all of which are on track to achieve the outcomes that were outlined within the DBV business case that was submitted. In summary:</p> <ul style="list-style-type: none"> <li>• the local partnership is embedding through the first three workstreams</li> <li>• Schools and partners have been able to access training to support inclusive practice and approaches to supporting young people with SEND in a mainstream environment.</li> <li>• As part of workstream 4 the local area has been able to develop 170 places in special school and resourced provision places in September 2024 to support the needs of young people within maintained schools and</li> <li>• it is expected a further 400 resourced provision over the next 4 years – this approach reduces the reliance on more expensive independent provision, which places the biggest pressure the DSG budget.</li> </ul> <p>Recent communication from the DfE noted that the Council is doing everything that it can and is delivering everything that is expected as part of the DBV programme. Regular DBV update reports are presented to Schools Forum, the latest being on 1st October 2024 which included a DBV Delivery Plan and Risk Register.</p>

Page	Description	Grant Thornton Recommendation	Wirral Management Response
10-11	<p><b>Key rec 2: Improving economy, efficiency and effectiveness - SEND</b></p>	<p>We recommend the Council needs to satisfy itself that it has necessary organisational transformational capacity, skills and resources to ensure that the Local Area SEND Improvement Plan can be delivered in accordance with DfE requirements and is sufficient to drive sustainable improvement in SEND service provision and to mitigate associated SEND service delivery risks.</p> <p>We also recommend the Council ensures that sufficient performance data is regularly provided to those charges with governance in relation to the Local Area SEND Improvement Plan to enable members to effectively track level of improvement and to support effective governance of this key area of service delivery.</p>	<p>The Council has created and recruited to an Assistant Director for SEND post to provide the necessary leadership capacity.</p> <p>Project Management and Project Officer capacity was allocated in April 2024 by the corporate programme office. Transformational capacity linked to the Delivering Better Value in SEND programme has been aligned with the SEND Improvement Plan.</p> <p>Revised governance arrangements are delivered through the Local Area SEND Partnership Board, chaired by the Council’s Chief Executive with membership including the Leader of the Council, Deputy Leader of the Council in their capacity as Chair of the Health &amp; Wellbeing Board, and the Lead Member for Children’s Services.</p> <p>The Children, Young People and Education Committee are receiving an update report on progress against the SEND Improvement Plan at all scheduled committee meetings.</p> <p>The SEND Performance Management Framework has been revised and implemented from April 2024. In October 2024, following 6 cycles of the framework, Department for Education Advisors noted that progress made on performance report was sufficient to be moved to business-as-usual.</p> <p>A 6-monthly review of the Improvement Notice took place with Department for Education and NHS England on 26<sup>th</sup> November 2024, where regulators confirmed they are satisfied with the arrangements in place for governance and that progress is being made across the Written Statement of Action areas.</p> <p>The SEND Dashboard and Scorecards, which detail approximately 300 performance indicators are published on SENDLO, the local area’s local offer website, thereby providing transparency for stakeholders and residents.</p>

## Improvement Recommendations

Page	Description	Grant Thornton Recommendation	Wirral Management Response
32	<b>IR1: LAC Placement Costs</b>	We recommend the Council provides the Children, Young People and Education Committee with an update in respect of the 2024/25 placement costs for looked after children and the action being taken by the Council to mitigate the further overspends in this area including increasing the availability of fostering placements.	<p>In September 2024, the Children, Young People and Education Committee approved the Care Programme, its financial reporting and governance arrangements.</p> <p>The Care Programme Board meet monthly to monitor placement costs, provision and increasing foster care placements.</p> <p>A full project plan and risk register will be presented to the Children, Young People and Education Committee in November 2024. The Committee Budget Oversight Panel and the Departmental Management Team will monitor financial aspects on a regular basis through the duration of the Care Programme.</p>
33	<b>IR2: Investment strategy commercial property valuations</b>	We recommend the Council provides members with an updated investment strategy report to set out the most recent commercial property valuations, the financial impacts of the valuations, and the details of planned Council activity to manage any resultant financial risks.	All investment properties are valued annually per the CIPFA Code of Practice on Local Government Accounting. Council will consider if they should be included in the investment strategy reported to Budget Council going forward. All asset decisions are taken to Economy, Regeneration & Housing Committee as part of wider Asset Management strategy governance arrangements.
34	<b>IR3: ARMC / TM</b>	We recommend the Council clarifies the role of ARMC in the assessment of the Council's treasury management activities and puts in place suitable arrangement to fulfil the Committees terms of reference. This could include an assessment of the Council's draft Treasury Management Strategy ahead of adoption by full Council.	The Council will review Treasury Management reporting arrangements to ensure that adequate opportunity is available to consider effectiveness of the governance, control and risk management arrangements for Treasury Management activity and to ensure they meet best practice.

Page	Description	Grant Thornton Recommendation	Wirral Management Response
35	<b>IR4: Accurate budget forecasts</b>	We recommend the Council satisfies itself that directorates are sufficiently supported and enabled to provide accurate budget forecasts as part of the Council's budget monitoring process.	<p>The Council has implemented a robust support framework to ensure budget holders can effectively utilise the Oracle EPM module for accurate financial forecasting.</p> <p>A briefing session was provided for all budget holders in November 2023, establishing a strong foundation for system adoption. To reinforce this initial engagement, the Council has developed and published a series of detailed training videos on the FLO training platform, allowing budget holders to access guidance material at their convenience and revisit specific aspects of the system as needed. Additionally, the Finance Team provides ongoing dedicated support to address any queries and/or present challenge in order to ensure a robust financial forecast process is delivered, with dedicated support made available by teams led by three Heads of Finance who are responsible for the People, Place and Corporate aspects of the organisation.</p> <p>This multi-layered approach, combining initial briefings, permanent online resources and continuous professional support, ensures budget holders have the necessary tools and knowledge to produce accurate and timely budget forecasts within the Council's monitoring framework.</p> <p>While the implementation of any new system requires a period of adjustment and cultural adaptation, the Council has made significant progress in this regard.</p>
44	<b>IR5: Internal Audit plan</b>	We recommend the ARMC endorses the proposed internal audit and counter fraud plan, before or as near to the start of the plan period as possible.	Due to committee meeting scheduling issues in recent years it has not been possible to present audit plans to the Audit and Risk Management Committee (ARMC) at the year-end. Moving forward the Chief Internal Auditor will liaise with colleagues in Democratic Services to ensure that ARMC meetings are scheduled in good time to allow the Internal Audit and Counter Fraud Audit Plans to be presented to Committee for endorsement before or as near to the start of the plan period as possible.
45	<b>IR6: Whistleblowing policy</b>	We recommend the Council concludes its formal review of the Whistleblowing policy and a revised policy is agreed by those charged with governance during 2024/25.	Amendments have been made to the policy during 2023/24 and there have been no relevant legislative changes or issues as to the effectiveness of the policy. However, the Whistleblowing Policy review will be concluded and reported to ARMC in March 2025.

Page	Description	Grant Thornton Recommendation	Wirral Management Response
46	<b>IR7: Members Code of Conduct</b>	We recommend the Council reviews, updates and agrees it's Members Code of Conduct Protocol 2019.	The Members' Code of Conduct Protocol is well established with members of all political groups, accepted, and runs very smoothly. The Monitoring Officer conducted an informal review in 2023 with the Deputy Monitoring Officer upon starting in post and saw nothing of concern. The Monitoring Officer will ensure that when the annual report is taken to members regarding standards of behaviour that this includes either a review of or an affirmation that the Protocol remains fit for purpose as appropriate.
58	<b>IR8: Performance Data</b>	We recommend the Council undertakes a review during 2024/25 of operational performance data being provided to the Council's Policy and Service committees to: <ul style="list-style-type: none"> <li>- Ensure members are provided with regular &amp; relevant performance reports covering all services within Committee's remit.</li> <li>- Committee reports are aligned to the proposed Council Plan 2023-27 performance reporting.</li> </ul>	Arrangements for reporting operational performance data to Service Committees are under continual review. As acknowledged in the report findings, full quarterly performance reporting for CYPE Committee was reinstated in July 2024, and regular performance reporting is now in place for all Committees apart from Economy, Regeneration and Housing Committee, with performance reports for this Committee having now been developed. The new Director of Regeneration will be briefed on performance reporting to Committee and discussion with Members regarding scheduling the performance reporting to Committee.
59	<b>IR9: OFSTED Inspection</b>	We recommend the Council ensures Children, Young People and Education Committee are provided with an update of the OFSTED inspection of Childrens Services 2023 and this includes an appraise of progress made implementing areas of required improvement.	The Children, Young People and Education Committee receive a regular update on progress made following Ofsted inspection, this included a full briefing session in October 2024, following the Focused Visit of September 2024. A Children's Services Assurance Board is being implemented to meet on a 6-weekly basis to undertake deep dive activity on 8 key thematic areas for inspection. Deep Dives including Elected Members have been established and regular reporting to the Children, Young People and Education Committee is detailed in the Forward Plan, aligned with the priorities of the Council Plan.
60	<b>IR10: Complaints</b>	We recommend the Council reviews arrangements in management of internal complaints including measures to support adherence to key performance indicators. We also recommend the Council presents the annual review letter from LGSCO, for each financial year to the most appropriate committee.	The LGSCO currently send a copy of the Annual Review Letter to the Chief Executive, the Leader of the Council, and the Chair of the Scrutiny Committee with oversight of complaints. This will be presented to the Scrutiny Committee in future on an annual basis.  Local Councils are encouraged to adopt the newly launched Complaints Handling Code as soon as they are able to do so, with the LGSCO intending to start considering the Code as part of their processes from April 2026. Wirral will adopt the Code into working practices, including the new target timescales for responding to complaints, and this has been discussed by the Senior Leadership Team (SLT).

Page	Description	Grant Thornton Recommendation	Wirral Management Response
61	<b>IR11: WCHCFT transfer</b>	We recommend the Council provides an update report to the Adult Social Care and Public Health Committee in respect of the service transfer from WCHCFT and for this report to include a full assessment of the financial implications to the Council.	The transfer was always about service delivery with only immaterial one-off cost implications and as Committee were regularly updated during the transfer process and gave Director delegation to make the necessary arrangements for the transfer, we feel a retrospective report as recommended would be of little benefit. However, the Council will consider providing an update report to the Adult Social Care and Public Health Committee in March 2025.
62	<b>IR12: Procurement &amp; Contract</b>	<p>We recommend the Council further strengthens its procurement and contract management arrangements by taking the following actions:</p> <ul style="list-style-type: none"> <li>- Conclude its current review, with some urgency, to ensure the Council's Contract Procedure Rules, and the Procurement Strategy 2023, are compliant with the new Procurement Act 2023. Thereafter, conduct an annual review of the Council's Contract Procedure Rules.</li> <li>- Disseminate to officers, in addition to members of the procurement team, further information and guidance in relation to the new Procurement Act 2023 and any subsequent changes to the Council's Contract Procedure Rules and the Procurement Strategy 2023.</li> <li>- Provide contract management training to relevant officers outside of the procurement team.</li> <li>- Report periodically (at least annually) to members matters relating to contract exceptions.</li> </ul>	<p>The Contract Procedure Rules (CPR) have been updated to also include the requirements of the Procurement Act and will be reported to Audit &amp; Risk Management Committee for approval in January 2025 to implement the new procedures. The CPR will thereafter be reviewed annually.</p> <p>All Procurement staff have undergone the Practitioner Training for the Procurement Act 2023, and high-level training will be rolled out on the FLO platform in early 2025 for all commissioners responsible for contract management within services.</p> <p>An update to exceptions was presented to Audit &amp; Risk Management Committee in October 2024, and will be included in the regular procurement updates to members.</p>