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AUDIT AND RISK MANAGEMENT COMMITTEE

Wednesday, 26 October 2022

Present: Councillor S Mountney (Chair)

Councillors S Kelly S Powell-Wilde
A Davies N Graham
T Cox

19 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.

20 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Jason Walsh and Independent Person Joanne Byrne.

21 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 Naomi Graham declared a personal and non-pecuniary interest in the item on Assurance on Regeneration Schemes as a member of her family worked for Peel Holdings so would withdraw for that item.

22 MINUTES

**Resolved –
That the minutes of the meeting held on 20 July 2022 be approved.**

23 PUBLIC QUESTIONS

No public questions were received.

24 STATEMENTS AND PETITIONS

No statements or petitions were received.

25 QUESTIONS BY MEMBERS

The following question had been received from Councillor T Cox concerning

the Hoylake town hall development known as the Beacon Project and the value for money of the funds for it.

The Director of Resources responded that the Council was only the responsible body for part of the funding. There was an awareness from the Director of Resources that Department of Levelling up, Housing and Communities (DLUHC) were in dialogue with the organisations involved regarding the lack of progress on the schemes.

The Chair requested an update at a future meeting and the Director of Resources agreed to request this from DLUHC.

26 **INTERNAL AUDIT UPDATE REPORT**

The Audit Manager presented the report of the Chief Internal Auditor 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 July to 31 September 2022.

Members queried details in the report around the Hoylake Golf Resort and lessons learned from it. In line with the remit for the review, the report confirmed that all key decisions relating to this initiative were undertaken in accordance with the Council's Constitution, Policy and procedures. There was concern over whether decisions were made with full information being available at the time, and the Chair asked for information be brought back to a future meeting on whether the decisions taken on the Hoylake Golf Resort were made with full information being available, specifically the risk that a financial penalty might be paid.

Resolved: That the report and outcomes of audit work undertaken including the quality assurance improvement review exercise be noted.

27 **INTERNAL AUDIT ANNUAL COUNTER FRAUD REPORT**

The Audit Manager introduced the report of the Chief Internal Auditor which updated the Committee on the activities of the Corporate Counter-Fraud Team within Internal Audit. The report covered the work undertaken by the Team during the previous eighteen months including a National Fraud Initiative, publicity campaigns and e-learning modules.

Members debated the work and were concerned at any reports of staff working whilst being off sick and the recovery of monies lost due to fraud. Information on these was requested for future meetings.

Resolved: That the report be noted and work of the team continue to be supported.

28 **CORPORATE RISK MANAGEMENT UPDATE**

The Risk, Continuity and Compliance Manager introduced the report of the Director of Resources which provided an update on the Council's risk management arrangements for the Corporate and Directorate Risk Registers. It was noted that Senior Leadership Team had met to discuss risk and separate sessions were to be held for more specifics. Directorates maintained their own Risk Registers to align with their Business Plans with reviews at least quarterly.

Members discussed the update and the Chair noted that some Committees did not have risks on their working plan and may require a reminder.

Resolved: That the report be noted

29 **DRAFT STATEMENT OF ACCOUNTS UPDATE, DRAFT ANNUAL GOVERNANCE STATEMENT AND FINANCIAL MANAGEMENT CODE ASSESSMENT FOR 2021/22**

The Senior Finance Manager introduced the report of the Director of Resources which presented the draft unaudited Statement of Accounts, Financial Management Code assessment, an update on changes to the accounts and the draft Annual Governance Statement for 2021/22 to the Audit and Risk Management Committee. The Statement of Accounts set out the Council's financial position as at the 31 March 2022, along with a summary of its income and expenditure for the year ended 31 March 2022. The Annual Governance Statement was to reflect key governance issues up to the date of the approval of the annual statement of accounts, and therefore a final version would be reported to the Committee in January 2023 for approval along with the final version of the Council's financial statements. The opinion was that the Council's governance arrangements overall were effective.

Members discussed the update and the deadline dates for subsequent years and the risks of reporting late.

Resolved: That

(1). the draft, unaudited Statement of Accounts for 2021/22 be noted.

(2). Finance Management Code for 2021/22 be noted.

(3). the draft Annual Governance Statement for 2021/22 be approved, including the actions planned in 2022/23 to address the two significant governance issues identified from this year's annual governance review.

(4). the changes to the draft Accounts as set out in appendix 5 be noted.

30 **CODE OF CORPORATE GOVERNANCE 2022**

The Head of Legal Services introduced her report which detailed the revised Code of Corporate Governance for approval, which was last reviewed in

2018. The Code communicated the Council's decision making processes and the principles underlining them, and had been updated following the move from Cabinet to Committee-based decision making.

Resolved: That

(1) the revised Code of Corporate Governance at Appendix 1 to the report be approved; and

(2) Constitution and Standards Committee be recommend full Council to adopt the revised Code of Corporate Governance and the framework detailed therein as part of the Council's Constitution.

31 **ICT CONTINUITY CONTROLS**

The head of ICT and Digital presented the report of the Director of Resources which had been prepared in response to a request by the Chair of the Audit and Risk Management to provide an update on the resiliency of Wirral Council's IT infrastructure and the disaster recovery plans. The report detailed the continuity controls. It was noted that the Council had two data centres in different locations where data is saved to and can be recovered from, and a third online.

Members queried the detail of disaster recovery and were reassured that there were practical backup systems within services and alternate power supply at a data centre. Members also confirmed that where staff dealt with their Council work on their phones, the Council retained control of the apps and could delete the data remotely if needed.

Resolved: That the report be noted.

32 **ASSURANCE ON REGENERATION SCHEMES**

The Director of Resources presented her report which updated members on the financial guarantees which the Council entered into on a number of regeneration projects and the mitigations with the associated risks. The Council's external auditors, Grant Thornton, had recommended that the risks arising from the guarantees were closely monitored and the mitigations reported to Members.

Members noted that the Council always looked for funding options and they noted the arrangements for three major regeneration developments and noted that the arrangements were not unusual for Councils to make.

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

33 EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC

Resolved – That in accordance with section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by the relevant paragraphs of Part 1 of Schedule 12A (as amended) to that Act. The public interest test has been applied and favours exclusion.

34 ASSURANCE ON REGENERATION SCHEMES EXEMPT APPENDIX

Resolved: That the exempt appendix for the Assurance on Regeneration Schemes report be noted.

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