WIRRAL

AUDIT AND RISK MANAGEMENT COMMITTEE

TUESDAY 27 OCTOBER 2026

REPORT TITLE:	**AUDIT AND RISK MANAGEMENT COMMITTEE IMPROVEMENT PLANS UPDATE**
REPORT OF:	**DIRECTOR OF FINANCE (SECTION 151 OFFICER)**

REPORT SUMMARY

This report provides updates on the progress of actions from the self-assessment against the Chartered Institute of the Public Finance and Accountancy (CIPFA) Code of Internal Audit Governance as well as two reviews into the effectiveness of the Audit and Risk Management Committee (ARMC) reported to Committee in March 2026 and June 2026 based on the CIPFA Position Statement for Audit Committees 2022 and the practical Guidance.

The report highlights that there has been steady progress across all of the action plans with planned progress to take place during the rest of the financial year.

The performance in relation to the CIPFA Code of Internal Audit Governance action plan is:

- Completed (38%);
- Partially completed (22%);
- In progress (29%); and
- Not started (11%)

The latest proposed completion date in the plan is June 2027.

The performance on the completion of actions in relation to the effectiveness of the ARMC reported to this Committee in March 2026 is:

- Completed (59%);
- Partially completed (7%); and
- In progress (34%)

The latest proposed completion date in the plan is June 2027.

The performance on the completion of actions in relation to the Member's review of the effectiveness of the ARMC reported to this Committee in June 2026 is:

- Completed (32%);
- Partially completed (18%); and
- In progress (50%)

The latest proposed completion date in the plan is January 2028.

The report supports the Wirral Plan 2027-31: A New Chapter for Wirral, specifically the aim to provide reliable everyday services.

This matter affects all Wards within the Borough. It is not a key decision.

RECOMMENDATION

The Audit and Risk Management Committee is recommended to note the report.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATION

1.1 To provide the Members with assurance that the Council is taking appropriate action to ensure that the development areas identified from the reviews of the CIPFA Code of Internal Audit Governance and the CIPFA Position Statement on Audit Committees 2022 and practical guidance have been mitigated in a timely manner.

1.2 To ensure that risks of poor governance from not following good practice issued by CIPFA are managed effectively.

2.0 OTHER OPTIONS CONSIDERED

2.1 Not providing an update report. This option was not considered as the Committee should be regularly aware, from a good governance perspective, of the progress on the delivery of the improvement actions from the self-assessment reviews.

3.0 BACKGROUND

CIPFA Code of Practice on the Governance of Internal Audit

3.1 In March 2026, amongst other matters, this Committee considered and noted self-assessment against the CIPFA Code of Practice on the Governance of Internal Audit which identified strengths and development areas. This Committee also approved that an update on progress, including revised timescales for the implementation of outstanding actions, would be reported back to the Committee.

3.2 The attached action plan update at Appendix 1 details the progress against the action plan to 31 August 2026 and indicated that steady progress has been made on the action plan.

3.2.1 Actions completed include:

- Revised Audit Charter drafted;
- Revised Audit Charter presented to ARMC and approved in March 2026;
- Complete the self-assessment CIPFA has established on the recommended practice for audit committees in local government and police: the Position Statement: audit committees in local authorities and police 2022 and its supporting guidance publication, Audit committees: practical guidance for local authorities and police (2022);
- Included the outcome of the self-assessment into the ARMC annual report;
- Developed an Annual Work Plan for ARMC presented in June 2026; and
- Drafted and provided an Internal Audit Resources Strategy to ARMC in March 2026

3.2.2 Actions partially completed include:

- An updated Audit Charter will be provided annually or when there are any significant changes to the governance, risks or the internal audit function;
- Head of Risk and Compliance meet with this Committee at least annually without senior management in attendance;
- Provide an update on performance on the delivery of the actions on a regular basis to ARMC; and
- Provide an update at least annually to this Committee on the results of the Head of Risk and Compliance's assessment of conformance against GIAS for the UK Public Sector.

3.2.3 Actions in progress include:

- Assurance Framework for the Council;
- Provide awareness training to Senior Leadership Team on Three Lines Model; and
- Report to this Committee on the options and proposed route to obtain and EQA.

3.2.4 The performance in relation to the CIPFA Code of Internal Audit Governance action plan is:

- Completed (50%);
- Partially completed (22%); and
- In progress (28%)

3.2.5 The latest proposed completion date in the plan is June 2027

Self-assessment on the effectiveness of the ARMC against the CIPFA Audit Committee Position Statement 2022 and the associated good practice

3.3 In March 2026 this Committee approved a self-assessment on the effectiveness of the ARMC against the CIPFA Audit Committee Position Statement 2022 and the associated good practice. The self-assessment identified strengths as well as weaknesses and proposed drafting an action plan based on the findings which would be presented to the next committee meeting in June 2026. The associated good practice mentioned that it would be beneficial that Members are involved in the process of evaluating the effectiveness and therefore it was approved that a second self- assessment be undertaken, involving members, details below in 3.5.

3.4 The action plan from the March 2026 self-assessment was presented to this Committee in June 2026 and duly noted. The attached action plan update at Appendix 2 details the progress against the action plan to 31 August 2026 and indicated that continuous progress has been made on the action plan.

3.4.1 Actions completed include:

- Risk Management Improvement Plan provided to this Committee in June 2026; and
- Regular updates on Risk Management Improvement Plan provided to this Committee

3.4.2 Actions partially completed include:

- Assurance Framework for Wirral Council; and
- Continue to provide updates on GIAS compliance

3.4.3 Actions in progress include:

- Working with partner audit committees to review governance arrangements in partnerships;
- A full list of relevant CIPFA Control frameworks to be devised and self-assessments undertaken and shared with ARMC for example through AGS process;
- Develop Assurance Mapping for the Committee to assist in the drafting of the work plan;
- Review the effectiveness of assurance providers through External Quality Assessment (EQAs), internal audits other assessments;
- Undertake Internal Audit EQA during 2026/2027;
- Devise a monitoring framework for major projects to ensure that governance and assurance arrangements are in place; and
- Continued follow up of issues raised by External Audit.

3.4.4 The performance on the completion of actions in relation to the effectiveness of this Committee reported in March 2026 is:

- Completed (59%);
- Partially completed (7%); and
- In progress (34%)

3.4.5 The latest proposed completion date in the plan is June 2027.

Member Self-assessment on the effectiveness of the ARMC against the CIPFA Audit Committee Position Statement 2022 and the associated good practice

3.5 The outcome of the second self- assessment exercise involving Members was presented to this Committee in June 2026. and noted. The report again identified a mixture of strengths as well as development areas. The Committee resolved to amongst other matters to note progress in the action plan from the March 2026 assessment of the effectiveness and impact of the Committee and agree the outcome of the self- assessment completed by Members in May 2026 and agree the proposed actions to address the development areas be agreed.

3.6 The attached action plan at Appendix 3 details the proposed action and progress to the 31 August 2026. The action plan from the June 2026 self-assessment indicates that there has been steady progress on the action plan.

3.6.1 Actions completed include:

- The CIPFA Position Statement on Audit Committee in Local Government and Police 2022 to be shared with Senior Leadership Team;
- Include in the Annual Report the compliance with the CIPFA Position Statement 2022;
- Include in the Annual Report annual evaluation, development work undertaken and planned improvements, against the Position Statement;
- Officers to review the training provided to this Committee and provide proposal to address the points raised;
- There is a planned programme of induction training for Members which will reinforce the non-political approach;
- Senior Officers and Managers will be invited to meetings where appropriate to discuss findings, risk and action plans; and
- An action plan will be drafted following the two self-assessments that have been completed.

3.6.2 Actions partially completed include:

- Revise the Committee's Terms of Reference to include the specific comments from the CIPFA position statement on governance and include in the next Constitution
- Consider amending the Committee's Terms of Reference to more align to the suggested CIPFA Audit Committee Terms of Reference

3.6.3 Actions in progress include:

- The Annual Report should outline the key issues that it has escalated;
- Ensure as part of the work plan there is an annual opportunity for the Committee to meet privately with External Auditors and Head of Internal Audit;
- There should be a decision on the CIPFA recommendation on the use of substitutes to the Committee:
- There should be consideration of whether the existing independent member is still a member of the Committee and whether further recruitment needs to be undertaken initially for one member before extending to the second role;
- Each new Committee Member should undertake a self-assessment against the CIPFA stated knowledge, skills and experience'
- The training plan for the individual Committee member to be drawn up based on the self-assessment.
- An annual report will be provided to Members on the improvements to governance, risk and control and their implementation during the year;

- Consider following the conclusion of the meeting discussing the areas where the Members believe they have added value and annually incorporate into annual report; and
- Review the timing of the self-assessment to earlier before the end of the Municipal Year.

3.6.4 The performance on the completion of actions in relation to the Member's review of the effectiveness of the Committee reported to it in June 2026 is:

- Completed (32%);
- Partially completed (18%); and
- In progress (50%)

3.6.5 The latest proposed completion date in the plan is January 2028.

3.7 Further progress update will be provided to Members in March 2027.

4.0 FINANCIAL IMPLICATIONS

4.1 There are none arising from this report.

5.0 LEGAL IMPLICATIONS

5.1 There are none arising from this report.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are none arising from this report.

7.0 RELEVANT RISKS

7.1 Potential failure of the Committee to comply with best professional practice thereby not function in an efficient and effective manner. This is mitigated by comprehensive governance and reporting systems developed as and implemented in compliance with relevant professional standards.

7.2 Failure to implement governance improvements in line with agreed timescales potentially exposes Council to loss of reputation and censure by regulators. This report is designed to provide assurance that management are implementing the proposed actions as agreed.

8.0 ENGAGEMENT/CONSULTATION

8.1 Members of this Committee are consulted throughout the process of delivering the Internal Audit Plan and the content of this regular routine report.

9.0 EQUALITY IMPLICATIONS

9.1 The content and/or recommendations contained within this report have no direct implications for equality.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The content and/or recommendations contained within this report are expected to have no impact on emissions of CO2/greenhouse gases.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The content and/or recommendations contained within this report have no direct implications for community wealth.

12.0 CRIME AND DISORDER IMPLICATIONS

12.1 The report has no crime and disorder implications.

REPORT AUTHOR:

David Eden
Head of Risk and Compliance

APPENDICES

1. Action Plan from self-assessment CIPFA Code of Practice on Internal Audit Governance
2. Action Plan from March 2026 self-assessment of ARMC effectiveness against CIPFA Position Statement on Audit Committees 2022 and associated good practice.
3. Action Plan from June 2026 self-assessment of ARMC effectiveness against CIPFA Position Statement on Audit Committees 2022 and associated good practice.

BACKGROUND PAPERS

Audit and Risk Management Committee Annual Self – Assessment March 2026
Annual Report of the Audit and Risk Management Committee June 2026
Self-Assessment of the Audit and Risk Management Committee June 2026

TERMS OF REFERENCE

This report is being considered by the Audit and Risk Management Committee in accordance with its Terms of Reference.

(a) (b) Governance
(i) Consider the Annual Governance Statement, and be satisfied that this statement is comprehensive, properly reflects the risk and internal control environment, including the system of internal audit, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, and includes an agreed action plan for improvements where necessary.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee - Audit and Risk Management Committee Annual Self – Assessment	25 March 2025
Audit and Risk Management Committee – Annual Report of the Audit and Risk Management Committee	25 June 2025
Audit and Risk Management Committee - Audit and Risk Management Committee Annual Self – Assessment	24 March 2026
Audit and Risk Management Committee – Code of Practice for Internal Audit Governance	24 March 2026
Audit and Risk Management Committee – Annual Report of the Audit and Risk Management Committee	24 June 2026