AUDIT AND RISK MANAGEMENT COMMITTEE

Wednesday, 24 June 2026

Present:	Councillor	B Hall (Chair)	
	Councillors	H Cameron	H Gorman
		S Kelly	G Wood
		C Baldwin	J Stewart Laing (In place of J Williams)

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**

Apologies for absence were received from Councillor Jerry Williams. Councillor James Stewart-Lang was in attendance as substitute.

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 items on this agenda and, if so, to declare them and state what they were.

Councillor Brenda Hall declared an interest in Item 15 'External Audit Plan for Merseyside Pension Fund 2025-26' by virtue of having been Chair of the Pensions Committee during the financial year to which the pension fund accounts related.

4 **MINUTES**

Resolved – That the minutes of the meeting held on 24 March 2026, be approved.

5 **PUBLIC AND MEMBER QUESTIONS**

There were no public or member questions, statements or petitions.

At the request of the Chair the order of business was altered to allow consideration of the External Audit Reports and those reports not from Internal Audit first, before then considering the various internal audit reports and the work programme.

6 EXTERNAL AUDIT PLAN FOR WIRRAL COUNCIL 2025-26

Grant Thornton introduced the External Audit Plan for Wirral Council for 2025/26. It was reported that the audit would be undertaken in accordance with international auditing standards and would focus on areas identified as presenting a higher risk of material misstatement. Four significant risks had been identified: management override of controls, valuation of land and buildings, valuation of investment properties, and the gross pension liability. The external auditor also outlined the proposed materiality level for the audit and explained that this would be reviewed once the draft financial statements had been received.

The Committee were further advised that the value for money assessment would consider the Council's arrangements for financial sustainability, governance, and economy, efficiency and effectiveness. No new risks of significant weakness had been identified at the planning stage, with the assessment continuing to focus on recommendations arising from the previous year's Auditor's Annual Report. It was noted that both the Audit Findings Report and the Auditor's Annual Report would be presented to the Committee later in the year.

Resolved – That the external audit plan for Wirral Council's Statutory financial statements for 2025/26 as prepared by Grant Thornton be noted.

7 EXTERNAL AUDIT PLAN FOR MERSEYSIDE PENSION FUND 2025-26

Grant Thornton introduced the External Audit Plan for Merseyside Pension Fund for 2025/26. It was reported that the audit plan had previously been presented to the Pensions Committee and was being submitted to the Audit and Risk Management Committee in its role as administering authority for the Fund. The external auditor set out the proposed audit approach, including the significant risks identified for the audit, namely management override of controls and the valuation of the Pension Fund's investment assets. It was explained that these risks were common to pension fund audits and reflected the level of judgement and estimation involved in determining asset values. The report also outlined the proposed materiality levels, audit timetable, proposed audit fee and Grant Thornton's annual confirmation of independence. Members were advised that interim audit work had already been completed and that the final accounts audit would commence shortly, and would be reported back to both the Pensions Committee and the Audit and Risk Management Committee through the Audit Findings Report later in the year.

In response to a question from the Chair regarding why the valuation of property and investment assets was identified as a significant audit risk despite there being no specific concerns with the Fund's assets, the external

auditor confirmed that the inclusion of valuation risks was standard practice for pension fund audits, reflecting the potential for relatively small changes in assumptions or inputs to have a significant impact on reported asset values.

Resolved – That the external audit plan for the Merseyside Pension Fund's Statutory financial statements for 2025/26 as prepared by Grant Thornton be noted.

8 **ANNUAL GOVERNANCE STATEMENT 2025/26**

The Assistant Director: Corporate & Governance Support introduced the report of the Director of Corporate Services which presented the Draft Annual Governance Statement (AGS) for 2025/26. It was reported that the AGS had been prepared in accordance with the CIPFA/SOLACE Delivering Good Governance in Local Government Framework and included commentary and supporting evidence against each of the seven governance principles. Members were advised that the report set out progress made in addressing the significant governance issues identified in the previous year's AGS and identified four significant governance issues requiring action during 2026/27. The Assistant Director highlighted improvements to the format of the document, including the use of hyperlinks and a stronger balance between assessment and supporting evidence, and confirmed that the draft AGS had been endorsed and signed by the Leader of the Council and the Chief Executive. It was further reported that, overall, the Council's governance arrangements had operated adequately during the year, with the exception of the significant issues identified within the statement.

Members welcomed the revised format of the Annual Governance Statement and the improvements made to its presentation and accessibility

Resolved – That the draft Annual Governance Statement for 2025/26, including the actions planned in 2026/27 to address the four significant governance issues identified from this year's annual governance review, be approved and noted.

9 **BIRKENHEAD TOWN CENTRE MANAGEMENT ACTION PLAN UPDATE**

The Chief Executive Officer presented the report which provided Members with an update on progress against the Birkenhead Town Centre Management Action Plan, which was first presented to Committee in November 2025 following the internal audit of the Birkenhead Town Centre Scheme. It was reported that the audit had identified significant failings in the Council's systems and processes, which had contributed to cost overruns and delays in delivery of the scheme. The report set out progress against the agreed actions and the Chief Executive advised that progress was being made across all recommendations, although a number of actions remained ongoing and had not yet reached their target completion dates. It was noted

that a further report would be brought to the Committee once the action plan had been completed, together with further detail on improvements made to capital programme management arrangements.

Members sought clarification regarding the separation between the monitoring of the action plan and the reporting of the scheme's financial performance, including requests for information on the final costs of the different elements of the Birkenhead Town Centre Scheme. It was confirmed that financial information was reported through the capital monitoring reports to the Policy and Resources Committee. It was further advised that final scheme costs had not yet been agreed as discussions with contractors regarding final accounts remained ongoing. Members further discussed lessons learned from the scheme, such as communication and information sharing regarding utility infrastructure. Assurance was sought that information relating to infrastructure installed by the Liverpool City Region Combined Authority was available to officers involved in regeneration and highways projects.

Resolved – That

1. **The progress made to date in implementing the Birkenhead Town Centre Management Action Plan recommendations be noted; and**

2. **Continued monitoring of the Action Plan through to completion be endorsed.**

10 **ANNUAL CCTV SURVEILLANCE ACTIVITY REPORT**

The Head of Community Safety introduced the report of the Director of Corporate Services which provided assurance regarding the governance arrangements for the Council's overt CCTV surveillance activities. Members were advised that the report covered CCTV systems operating in the public realm and Council buildings, alongside outlining the work of the Emergency Control Centre. Members were further provided with an update on the use of BriefCam video content analytics software, whilst ongoing projects relating to supporting vulnerable people, monitoring the use of Council facilities and tackling environmental crime were also highlighted. It was noted that a review of legacy CCTV systems in Council buildings was ongoing to address compliance issues and it was confirmed that this area of work was being prioritised.

Members discussed funding arrangements for CCTV, the use of overt and covert surveillance to tackle fly-tipping and environmental crime, and the capacity of the CCTV control centre. The Head of Community Safety advised that camera deployment was based on local intelligence and operational priorities, that covert surveillance options were being considered as part of future environmental crime initiatives, and that alternative accommodation had been identified to provide additional operational capacity. It was also

confirmed that funding from the Police and Crime Commissioner was anticipated to enable the purchase of approximately four to five additional re-deployable cameras.

Resolved – That the report be noted.

11 **ANNUAL UPDATE OF WHISTLEBLOWING CONCERNS RAISED IN THE MUNICIPAL YEAR 2025/26**

The Director of Corporate Services presented the report which provided an annual update on whistleblowing concerns raised during 2025/26. Members were advised that the report was presented in accordance with the Council's Whistleblowing Policy and sought to provide assurance that concerns raised under the policy had been appropriately received, considered and investigated. It was reported that during the period 1 April 2025 to 31 March 2026 there had been six whistleblowing reports made, alongside one outstanding matter from the previous year. The report summarised nature of the concerns, the services involved and actions taken. The Director emphasised the importance of ensuring that any weaknesses in controls, procedures or management arrangements identified through whistleblowing investigations were addressed and embedded within service improvement plans.

Members queried the position of matters reported in previous years and sought clarification on the number and status of cases that remained open or under investigation.

Resolved – That the report be noted.

12 **ANNUAL REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

The Head of Risk and Compliance introduced the Annual Report of the Committee for 2025/26, which had been prepared in accordance with CIPFA best practice guidance. It was outlined that the report summarised the work undertaken by the Committee during the year, included progress against the Committee's development plan. It was noted the report reflected the outcomes of both the March 2026 effectiveness assessment and a member self-assessment exercise undertaken in May 2026. The Head of Risk and Compliance further reported that the findings had identified a number of strengths and development areas which would be incorporated into an action plan and monitored through future reports to the Committee.

Members discussed the attendance of substitute members during the 2025/26 year and the ongoing recruitment of Independent Members to the Committee. It was confirmed that that a recruitment exercise for independent members was underway, with a number of applicants being considered.

Resolved – That

1. **The Annual ARMC Report for 2025/26, including the development plan, be approved and submitted to Council;**

2. **The progress in the action plan from the March 2026 assessment of the effectiveness and impact of the Committee be noted; and**

3. **the outcome of the self- assessment completed by Members in May 2026 be noted and the proposed actions to address the development areas be agreed.**

13 **ANNUAL REPORT AND OPINION OF HEAD OF RISK AND COMPLIANCE**

The Head of Risk and Compliance presented his Annual Report and Opinion, which provided an opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements. It was reported that as a result of the significant resources assigned to the Birkenhead Town Centre and Enabling Services reviews during the year, additional assurance mapping had been undertaken to support the annual opinion. The Head of Risk and Compliance reported that Council's overall control environment required improvement, while schools received a moderate assurance opinion.

Members discussed the assurance mapping methodology and the use of assurance provided by external consultants. Questions were raised regarding the identity of some external consultants included within the assurance framework and the extent to which their work could be relied upon in forming the annual opinion. The Head of Risk and Compliance explained that the assurance mapping process used reports and assessments from external organisations and regulators as sources of evidence when evaluating the effectiveness of governance, risk management and control arrangements. It was noted that these consultants had not been commissioned specifically to provide assurance to Internal Audit, but that their work had been considered as part of the overall evidence base used to inform the annual opinion. It was further agreed that further information could be provided to members on the specific consultants referred to in the report.

Members further raised concerns regarding cyber security risks and the Council's resilience to cyber threats. It was advised that assurance in this area was supported by action plans and ongoing improvement work and that further consideration would be given to reporting cyber security matters through the Committee's future work programme.

Resolved – That the report be noted.

14 **INTERNAL AUDIT ACTIVITY**

The Head of Risk and Compliance introduced the report of the Director of Finance 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 2026 to 30 April 2026. The report updated audits completed since the previous Committee meeting, audits currently in progress, follow-up activity on audit recommendations, performance against internal audit indicators, progress towards compliance with the Global Internal Audit Standards, and counter-fraud activity. It was further reported that a revised approach to monitoring and reporting audit recommendations was being developed and would be presented to the Committee in October. It was also noted that the Internal Audit Team was now fully resourced, that arrangements were being made for an External Quality Assessment, and that significant savings had been achieved through counter-fraud activity and the National Fraud Initiative.

Members discussed the provision of specialist IT audit work and sought assurance regarding cyber security oversight. The Head of Risk and Compliance explained that the Council did not currently have the in-house specialist expertise required to undertake IT audits and had therefore commissioned external support to undertake this work.

Further discussion took place regarding counter-fraud activity in relation to the identification of empty properties and the application of council tax premiums. Members sought further information on how empty properties were identified and how this work linked to counter-fraud activity. Members also discussed a planned audit of related party declarations. The Head of Risk and Compliance confirmed that the review would focus primarily on staff declarations and the effectiveness of the associated controls and processes.

Members further welcomed the proposed enhancements to the monitoring of outstanding audit recommendations.

Resolved – That the report be noted.

15 **RISK MANAGEMENT ACTION PLAN UPDATE**

The Head of Risk and Compliance introduced the report of the Director of Finance which provided the consolidated action plan for both the external review of the Council's risk management arrangements carried out by Cheshire East, provided to Members at the previous committee meeting, and the details of the internal review of risk management carried out by the Head of Risk and Compliance and the Insurance, Risk and Continuity Manager. It was reported that the consolidated plan provided a single framework for monitoring progress against all recommendations and that future updates would be incorporated into the Committee's regular risk management reporting cycle.

Members discussed the visibility of Directorate Risk Registers and raised concerns that changes in committee membership following recent risk workshops meant that some members had not had sight of the most recent directorate-level risks. Officers undertook to review the position and consider how the relevant Directorate Risk Registers could be made available to members.

Members also sought assurance regarding the impact of the implementation of the action plan on the Corporate Risk Register and wider risk management arrangements. The Head of Risk and Compliance confirmed that whilst the Corporate Risk Register would continue to evolve in response to the changing operating environment, the primary aim of the action plan was to further embed effective risk management across the Council, including the development of a clearer risk appetite framework to support decision-making.

Resolved – That the report be noted.

16 **WORK PROGRAMME**

The Chair introduced the report which outlined the committee work programme. The work programme included all reports of a statutory and legislative nature and reports which were required to be reported to public sector audit committees during the municipal year for compliance with the Public Sector Internal Audit Standard.

Members discussed the inclusion of cyber security within the Work Programme following concerns raised earlier in the meeting regarding digital, data and technology risks. It was agreed that this would considered through the Committee's next risk management in October 2026.

Members also requested an updated briefing note on business rates, particularly in relation to assumptions regarding appeals and the impact on the Council's financial position.

Resolved – That the work programme be noted.