Grant Thornton

Wirral Council

Audit progress report and sector updates

October 2026

Agenda

1	Audit progress report	03
2	Introduction	04
3	Progress as at October 2026	05
4	Audit deliverables	06
5	Sector updates	07
6	Audit Committee Resources	12

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Audit Progress Report

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Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:
Local government | Grant Thornton

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

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Progress as of October 2026

Financial Statements Audit

We received the draft statement of accounts in line with the statutory timetable (ahead of the deadline of 30 June 2026). We have reviewed the draft accounts and shared our findings with management for review.

Our audit commenced at the beginning of July, and work is in progress across all identified areas of significant risk, including:

- Valuation of Land & buildings and investment properties

- Valuation of the defined benefit net pension liability

- Management override of controls

Our substantive testing of all in-year transaction streams and other year-end balances is significantly progressed with the expectation that all audit work on the financial statements will be completed by the end of November.

We continue to engage with officers and hold regular meetings with the finance team and senior officers to facilitate the timely completion of the audit.

There are currently no significant findings to bring to your attention.

Value for Money

Under the 2020 Audit Code of Practice, we are required to undertake sufficient work to satisfy ourselves that the authority "has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources."

In our Audit Plan, we reported the findings from our VFM risk assessment to you at your June 2026 Audit & Risk Management Committee meeting against the three following reporting criteria:

1. Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services

2. Governance: how the body ensures that it makes informed decisions and properly manages its risks

3. Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

Our work in assessing the value for money arrangements remains ongoing with significant work progressing in assessing the Council's response to the statutory recommendations raised last year, alongside assessing changes in arrangements made during 2025-26. We are working with officers at the Council to progress this work in a timely manner.

At this stage we anticipate that the work will be completed before Christmas with reporting of the Auditor's Annual Report to the Audit & Risk Management Committee in January 2027. This remains ahead of the statutory backstop date for 2025-26 accounts of 31 January 2027.

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Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date	Status
Audit Plan We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2025/26 financial statements.	June 2026	Complete
Audit Findings Report The Audit Findings Report will be reported to the Audit Committee.	November 2026	To be moved to January 2027
Auditor's Report This includes the opinion on your financial statements.	November 2026	To be moved to January 2027
Auditor's Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	November 2026	To be moved to January 2027

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Sector Updates

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Adult Social Care

Audit Committees should seek to understand how risks surrounding Adult Social Care are mitigated within their Council.

CQC findings:

On 14th July 2026, CQC published key findings from their assessment programme of all 153 local authorities in England with adult social care responsibilities.

CQC highlighted that the majority of local authorities are rated 'good', but are mainly at the lower end of the scoring threshold for 'good'. Key themes in the report act as a roadmap for strengthening the sector:

- Prevention
- Safeguarding
- Transitions from Children's to Adult's services
- Unpaid carers
- Equity in experience and outcomes
- Co-production (partnerships with voluntary, community, faith and social enterprise organisations)
- Commissioning.

Other recent developments in relation to the Adult Social Care sector:

- 29th July 2026 –The Prime Minister set out his commitment to reform adult social care and deliver a National Care Service.
- 29th July 2026 – Baroness Casey launched a "big conversation on care", an online survey intended to inform work to develop a National Care Service.
- 4th August 2026 – ADASS published Learning from Safeguarding Adults Reviews: How can they have national impact?

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Children's Social Care

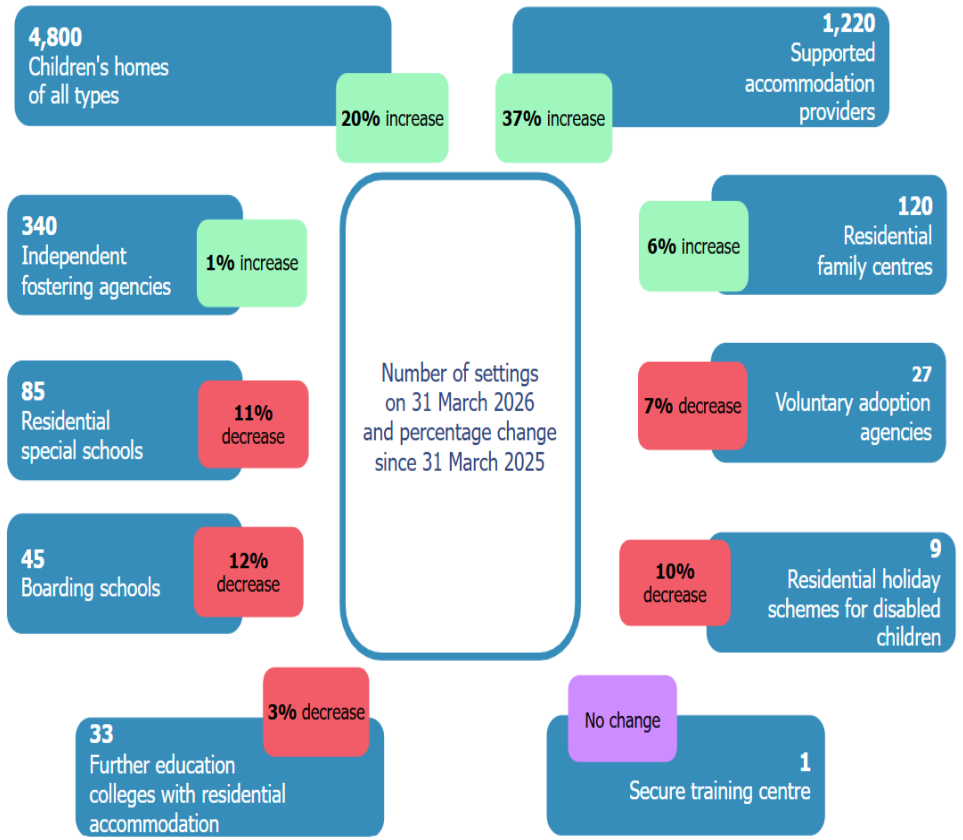
Audit Committees should seek to understand how the risk of unregistered placements is being mitigated by their Council.

Tackling dependency on unregistered children's homes

Supply and demand pressures in recent years have forced many local authorities to rely on placing children in unregistered homes, which offer less protection than they are entitled to. Pressure to prevent this practice is escalating, but Council's overall need more children's homes that they used to, putting them at risk of malpractice:

- 2nd July 2026 – Ofsted published research on sufficiency of children's homes places in England – highlighting that issues with workforce capacity, affordability of housing and lack of foster carers has contributed to a sharp growth in local authorities' use of unregistered children's homes.
- 7th July 2026 – Ofsted launched an open consultation on proposals to improve how it inspects and regulates children's social care providers. The original proposals aimed, amongst other things, at tackling the "shadow system" of children living unprotected in illegal settings.
- 30th July 2026 – Ofsted's official statistics show that there was a 20% increase in the use of children's homes overall in 2026.
- 5th August 2025 - Ofsted won its first successful prosecution of an illegal children's home provider.

Source: Ofsted main findings: children's social care in England 2026 - GOV.UK



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Making the Annual Governance Statement matter

Audit Committees are responsible for approving the AGS (sometimes with Full Council too) and should seek assurance it reflects a robust review against the CIPFA/SOLACE principles, a well-developed Code of Corporate Governance, and a clear assessment of effectiveness.

- An evidence-based, candid view of strengths, weaknesses and planned improvements
- Effectiveness is a qualitative judgement — not just a policy checklist
- The review and drafting of the AGS should always be internally led
- Senior officers must show genuine ownership, directed by members
- An organisation-wide understanding of how governance works in practice

> **The AGS is a key indicator of the effectiveness of a council's governance framework and a potential early warning sign of wider governance weaknesses.**

Grant Thornton UK, July 2026

Read our full article → Published 20 July 2026

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Best Value – have your say

New consultation to take part in

The Ministry of Housing, Communities and Local Government (MHCLG) is currently seeking views on revised statutory guidance for local and strategic authorities in England on compliance with the Best Value Duty.

A new consultation opened on Citizen Space on 15th July 2026, and will remain open until 11:59pm on 7th October 2026. This follows the government's March 2026 publication of **Lessons learnt from best value interventions 2025.** All local authorities are encouraged to take part in the new consultation, to help shape guidance going forward.

There has been a significant increase in the number of councils entering best value intervention since 2020. The government is aiming to learn from direct council experiences to improve policy, practice, and central government's relationship with local government. For the first time, MHCLG has undertaken structured engagement with all councils in statutory and non-statutory interventions exploring their challenges, recovery actions, and outcomes.

To have your say on the revised guidance and what should happen next, follow this link:

Consultation on revised Best Value guidance - Ministry of Housing, Communities and Local Government - Citizen Space

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Audit Committee resources

Commentary from Grant Thornton on recovering the accounts preparation and audit timetable:

Local audit reset: What comes after the backstop? | Grant Thornton

Latest guidance and learning from Grant Thornton on local government reorganisation and devolution:

Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton

Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?

Learning from the new unitary councils

Grant Thornton learning on procurement and contract management:

Local government procurement and contract management

Audit Committee and organisational effectiveness in local authorities (CIPFA):

https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

Global Internal Audit Standards in the UK Public Sector | CIPFA

CIPFA Good Governance

Delivering Good Governance in Local Government Addendum

The Three Lines of Defence Model (IAA)
https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf

Risk Management Guidance / The Orange Book (UK Government):

https://www.gov.uk/government/publications/orange-book

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