

**Manchester City Council  
Report for Information**

**Report to:** Audit Committee - 26 January 2017  
**Subject:** Internal Audit Progress Report 2016/17  
**Report of:** City Treasurer and Head of Audit and Risk Management

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**Summary**

The Internal Audit Section delivers an annual programme of audit work designed to raise standards of governance, risk management and internal control across the Council. This work culminates in the Annual Head of Internal Audit Annual Opinion and an Annual Assurance Report. This report provides a summary on the work undertaken and audit opinions issued in the period April to December 2016.

**Recommendations**

Members are requested to consider and comment on the Internal Audit Assurance Progress Report.

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**Wards Affected:** All

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Documents used in the development of the assurance report include:

- Internal Audit Plan 2016/17 (July 2016 Audit Committee)
- Internal Audit Annual Assurance Report 2015/16 ( June 2016 Audit Committee)

## Internal Audit Assurance Report April to December 2016

### 1. Introduction

- 1.1 This report provides a summary of the work of the Internal Audit Section from April to December 2016 reporting progress with delivery of the annual audit plan, a summary of assurance opinions on completed audits and the exposure to risk where recommendations are outstanding. The opinions and data are provided to senior managers and are used to inform the Head of Internal Audit's overall annual assurance opinion.
- 1.2 At the Audit Committee meeting in October 2016, Members discussed the findings of Internal Audit work and queried whether an increasing number of low assurance opinions were being issued and whether this had contributed to the moderate overall assurance opinion issued by the Head of Internal Audit and Risk Management in 2014/15 and 2015/16. Members also queried whether performance in the implementation of internal audit recommendations had also changed over time. Analysis is provided at appendix one in response to this request.

### 2. Audit Programme Delivery

#### Plan Delivery

- 2.1 The following table summarises the position against the audit plan to date. Outputs include audit reports, management letters and advice and guidance as well as support to management on service improvement. It also includes reactive fraud and irregularity investigation reports for work requiring more than five days of audit support or where an opinion or advice and guidance was provided. The analysis excludes most of the general advice and guidance provided to the business and involvement in working groups and projects across the Council as these are not captured in formal reports. Figures include completion of brought forward work in the first quarter as agreed with managers.
- 2.2 At this stage it is expected that the approved Annual Audit Plan will be substantially completed by year end.

Audit Status	Audit Plan Outputs	Additional and Contingency Items
Final Report Issued	70	6
Draft Report Issued	12	
Fieldwork Completed	14	
Fieldwork Started	19	
Planned	19	1
Cancelled / Deferred	6	

- 2.3 The sections below describe progress made against the annual audit plan. The status of all work is shown at Appendix Two.

### 3 Children and Families

- 3.1 **Children's Ofsted Inspection 2014:** In September Ofsted carried out a monitoring visit that confirmed senior leaders and managers demonstrated a good understanding of improvements required and that the pace of change had increased significantly in the previous six months with appropriate plans in place to support change. It also confirmed that investment in and recruitment of social workers was beginning to reduce caseloads enabling compliance with practice standards; and that increased management capacity had improved the frequency of supervision and management systems which had become more effective. The report commented on the need for further improvement in specific areas including quality assurance and supervisions which echoed the findings from Internal Audit work.
- 3.2 We observed a recent performance and improvement clinic meeting and reviewed supporting papers. The group considers individual team and service performance against national and local performance indicators and the improvement plan. We consider that the meetings supported by regular reporting requirements provided robust scrutiny of service managers over progress and appropriate level of challenge to support improvement.
- 3.3 **Children's Emergency Duty Service:** Moderate assurance over the compliance with refreshed operating principles. We were satisfied that policies were followed but have recommended some changes including a procedures guide; a transfer protocol with the contact centre; and improved recording.
- 3.4 **Children's Management Information:** Internal Audit continued to issue bi-monthly data reports to the Director of Children's Services (DCS). There are some positive indicators in our latest report. There were further reductions in delays in recording activity on Micare and the number of Children Protection Plan visits where the child was not seen alone, and an increase in Looked After Children social worker reports approved prior to review. However the service are not yet meeting targets in all areas and in some areas performance has slipped. For example Child Protection Plans with no visit recorded increased from 7% of total to 19% and time between review meeting and Care Plan episode end date has increased from 14.9 to 17.3 days.
- 3.5 **Adult Health and Social Care Integration:** In respect of activity, governance structures supporting integration were recently revised to ensure they continue to support Locality Plan delivery. A Transformation Fund investment bid was submitted to support integrated social care and Local Care Organisation ("LCO") delivery, and a Transformation Fund Accountability Board has been established. This has delegated accountability from the Health and Wellbeing Board to provide an accountability and assurance framework for managing external funding bids and coordinate investments. It will also ensure effective deployment and return on investment including

transformation fund and account for external public funding, in accordance with a series of milestones to support Locality Plan delivery.

- 3.6 **Adult Client Financial Services (“CFS”):** Moderate assurance in relation to appointeeships and deputies control over cash handling, based on a pre-paid card pilot scheme. The move to pre-paid cards should reduce the risks associated with debit cards particularly removing the need for CFS staff to hold multiple card accounts and emanating direct access to bank accounts. We support the intention to migrate existing debit card accounts following the trial when advice to strengthen controls is implemented.
- 3.7 Fieldwork has started on the Adults Quality Assurance Framework compliance audit. The Framework was launched in April 2016 and is intended to cover social care assessments and safeguarding. At present it covers safeguarding alone so testing will be limited to this extent.
- 3.8 **Schools Attendance Data - Thematic Audit:** The draft report gave moderate assurance over arrangements to ensure the completeness and accuracy of data on schools’ systems. In the ten schools visited there was no evidence of deliberate data manipulation but the work identified gaps in processes and access control over access to change data, misunderstanding or misuse of absence codes and a lack of system comments to verify use of codes.
- 3.9 **Schools Cash Handling - Thematic Audit:** The evaluation and reporting on cash handling has yet to be completed because an issue of significant concern was identified in one school that required further investigation. This investigation is ongoing and will be reported further in the Internal Audit Annual Report.
- 3.10 **Schools Audit - Lancasterian:** Limited assurance over arrangements to effectively track, challenge and make decisions to support delivery of their budget recovery plan. There were concerns including delays in setting and approving a plan, governance structures supporting plan delivery, and effectiveness of governor challenge and financial activity. Challenge and support arrangements have been agreed between Governors, the Director of Education and Skills and the City Treasurer to improve financial management arrangements in the School and provide assurance over the development and delivery of a recovery plan.
- 3.11 Two audits were cancelled as they were no longer relevant.
- Troubled Families LOGASNet User Access’ audit - as claims are not now submitted through this system.
  - Social Care System Upgrade - the decision not to proceed with MOSIAC made the planned audit redundant. We understand the reasons for the change in approach taken by the DCS and the Chief Information Officer and are assured that the decision to explore alternative systems was based on robust business and financial analysis. We are considering the risks inherent in developing a new system as part of audit planning considerations for 2017/18.

## 4 Core

- 4.1 **Attendance Management:** Moderate assurance over the adequacy of arrangements for ensuring compliance with recording, monitoring and management of sickness absence, confirming there is a positive capacity to improve based on planned actions. There was good compliance with return to work principles but formal reviews and paperwork were sometimes carried out or completed late and there was a mixed level of compliance with the Attendance Monitoring Review process. We also found that the level of detail recorded in relation to management actions and support was limited and did not always reflect actions actually taken.
- 4.2 **SAP Payment Controls:** Substantial assurance as overall payments were made on a timely basis and there was evidence of approval and appropriate segregation of duties in place. We recommended that officers, outside of the payments team, who have authority to create new suppliers in the system are reviewed to confirm that if these roles are still necessary and appropriate, that controls used within the payments teams are extended to those individuals to manage any exposure to risk.
- 4.3 **Hybrid Mail Project:** Moderate assurance over the project management arrangements for the adoption of new hybrid mail processes. The team had in-depth knowledge of requirements and appropriate actions were taken in the early stages of the project but there was limited evidence demonstrating the key controls and timelines for the project. In our view this presented a risk to ensuring delivery remained controlled and on track. We consider that documenting key tasks, formalising delivery timeframes and responsibilities of key individuals was critical for future transparency and accountability as well as providing for continuity. There was also a need to improve management information and reporting to the Board to enhance the governance arrangements.
- 4.4 **Highways:** Reactive Maintenance was given no assurance in 2016 due to a number of key concerns. The Interim Director for Highways presented a report to Audit Committee in October 2016 setting out an action plan to address governance and control matters, including those identified in the audit report. Agreed audit follow up audit work is currently in progress.
- 4.5 Fieldwork is completed on a number of audits including suspense accounts; manual uploads; business rates; fixed assets – highways valuation; and PCI DSS stage 2.

## 5 Growth and Neighbourhoods

- 5.1 A proposed audit of the waste and street cleaning contract and an audit of waste service requests are in the final stages of planning and the intention is to start both of these in February.
- 5.2 **Superfast Broadband Connection Vouchers Scheme:** A final review of grant usage as part of the funder's close down processes for provided positive assurance that the statement of grant usage fairly represented eligible expenditure in accordance with the grant conditions.

- 5.3 **Completion of Taxi Compliance Tests:** Moderate assurance over arrangements for the efficient administration of taxi application tests. The quality of records was sufficient across the two systems used (Lalpac and CRM) but as these were not linked there was manual intervention which resulted in some duplication of effort and data transfer. Management information reporting tools were not used to directly produce reports so these had to be created manually and added additional time and increased risk of error. The provision of a new system (Uniform) to replace Lalpac is expected to secure improvements once fully implemented in 2017.
- 5.4 Assurance work on governance and financial management of the Christmas Markets was completed and a draft report issued for comment. Fieldwork has also been completed on an audit of Events Management and Governance.

## 6 Procurement, Contracts and Commissioning

- 6.1 **North West Foster Care Framework:** Limited assurance over governance and control arrangements. Our main areas of concern were the control of placement charges from providers and the quality of provider compliance through non application of discounts allowable under the framework. We have made a number of recommendations to strengthen controls and have asked that management review all 500 existing placements to ensure that the correct charges are being applied.
- 6.2 **ICT Contract Management:** Moderate assurance over the developing arrangements for contract governance within the service. The report reflected on several areas of good work to improve visibility over contract information and building relationships with existing providers. A number of contractual arrangements remained under developed in terms of performance measures and management were reviewing the approach to development of an ICT performance framework seeking to ensure adequate key performance metrics were considered as part of the analysis for all future projects.
- 6.3 **Contract Validation and Sign Off:** Work is completed and will be issued in draft shortly. We found a general lack of compliance with existing requirements for the formalisation of contract agreements and signing authorities as set out in the Council's Constitution and Procurement Rules. This is not a high risk in terms of operational delivery of contracts but there is a recognition that opportunities for improvement exist. A risk workshop was held with representatives from Legal Services and Corporate Procurement to better understand the reasons for delays in the process of legal sign off and further workshops are proposed to confirm improvement actions.

## 7 Data, Information and Systems

- 7.1 Service development work has continued around data analysis. A pilot has been undertaken to develop a continuous audit process with the payroll team to enhance data quality and provide assurance over the operation of controls over the entire payroll. Similar work was undertaken over duplicate payments

to enable efficient monthly monitoring and resolution of potential duplicates.

- 7.2 Planning has been completed for audits of the ICT Strategy and Information Strategy for completion in quarter four. An external provider has been appointed to support delivery of five ICT audits by the end of March: Disaster Recovery; Programme and Project Management, Email and Internet Filtering; Academy System (Revenues and Benefits); and Barclays.net System (banking). Initial scoping meetings were held in early January 2017 and work will shortly commence to ensure delivery by year end.
- 7.3 We continued to engage with advice and guidance on a number of projects including Public Service Network (PSN); Collaboration (Google); Payment Card Industry (PCI DSS); and ServiceNow. The latter is a new service delivery and management tool in ICT where we have supported the development of new processes for managing starters, movers and leavers. This project provides an opportunity to address past audit concerns in an efficient and effective manner so we have engaged in workshops to help in the design the new control processes.

## **8 Counter-Fraud and Investigations**

- 8.1 Detailed information in relation to anti-fraud and investigations was included within the Annual Fraud Report presented to Audit Committee in September 2016. A summary of recent work is shown below with details to be provided in the annual fraud report due to the confidential nature of the work.

### **Proactive Work**

- 8.2 Work was completed on co-ordination of data requirements for the 2016/17 National Fraud Initiative with successful data uploads completed during October. Resulting matches will be assigned to teams across the Council and Internal Audit for investigation in the period to March 2017 with investigation outcomes reported to senior officers and the Cabinet Office.
- 8.3 Non-NFI data interrogation and investigation work in 2016/17 has resulted in £7,841 of duplicate payments and vendor credits being recovered
- 8.4 The updated whistleblowing policy and procedure for maintained schools is now available on the Schools Hub and has been circulated to schools. A review of the Council's Anti Money Laundering Policy has been completed. training and awareness remains a priority and a collaborative approach to this work is currently being explored with Bolton Council.

### **Reactive Work**

- 8.5 Internal Audit received 51 referrals of potential fraud, theft or other irregularity since April 2016, of which 27 were considered to be whistleblowing allegations made either anonymously or from a named source.
- 8.6 Some of the case work within these has been complex with multiple issues and work has been resource intensive in some cases. Internal Audit have

sought to strengthen the risk assessment process for referrals to confirm the objectives and the role of Internal Audit and other Council services in the investigation of matters arising. This has included referrals to other bodies where appropriate including for example school governors and business managers of third party organisations. Referral to GMP has been made in a few cases where prosecution is a potential outcome.

- 8.7 The nature of work and allegations continued to vary and included:
- theft of monies by interception;
  - financial or data fraud;
  - financial irregularity;
  - allegation of abuse of position;
  - inappropriate funding claims;
  - running a private business from a Council place of work;
  - contract irregularity; and
  - financial and governance issues in third sector organisations partly funded by the Council.
- 8.8 **Prevention of Social Housing Fraud:** Internal Audit have received 20 referrals in 2016/17 from registered providers regarding allegations of subletting and housing-related fraud. As a result of investigations this year, keys have been returned for three properties where it was alleged tenants were illegally subletting. Whilst these three cases did not provide any cashable saving to the Council they help ensure housing stock within the City is correctly allocated to those individuals/families most in need and have helped registered providers secure notional savings of £54,000. In addition to these three cases, one successful prosecution has now been completed. This began with the Council's Benefit Fraud Team on behalf of Adactus Housing and was completed by Internal Audit with Legal Services. The result was a fine of £912 and recovery of costs. Two further cases of housing related fraud have been authorised for prosecution.
- 8.9 **Council Tax Reduction:** Internal Audit have received 54 referrals in the in 2016/17 and investigation work on higher risk cases has resulted in the Council being able to recover over £30,538 of overpayments and administrative penalties to date.

## 9 Recommendation Implementation

- 9.1 The number of critical, major or significant priority recommendations fully implemented was 45% with a further 11% considered to be superseded and 8% partially implemented.
- 9.2 The figures below show the total number of recommendations due for implementation and their status at the end of December though some updates were still awaited. Quarter three Directorate assurance reports and SMT report will include updated positions on exposure to risk for senior management focus and action.

### **Critical, Major or Significant Priority Recommendations by Directorate**



Directorate	Number	Implemented	Partially Implemented	Superseded	Referred Back	Outstanding
Core	19	11	2	0	0	6
Children & Families	56	22	3	9	7	15
Growth & N'Hoods	9	5	2	0	0	2
<b>Total</b>	<b>84</b>	<b>38</b>	<b>7</b>	<b>9</b>	<b>7</b>	<b>23</b>

9.3 The 23 critical, major or significant priority recommendations currently shown as outstanding are as follows:

Audit Report (and date issued)	No.	Recommendation Summary
<b>Growth &amp; Neighbourhoods</b>		
Parks Operational Management (May 2015)	1	Relates to a review and cascade of parks procedures. A Parks Strategy and Operational Plan have been developed and subject to audit review of content and confirming that information flows from the Operational Delivery Teams, to the Strategic Delivery Group and then to the Park Strategy Group then this recommendation will be confirmed as implemented.
ASB Casework Management (January 2016)	1	This recommendation was due to be implemented in January 2017 and is expected to be complete in February as the migration of casework from an old Case Manager 3 system to Flare is in final stages.
<b>Core</b>		
ICT Incident Management (June 2016)	3	Recommendations related to confirming arrangements for staff cover out of hours, business continuity planning and external hosting of critical documents. Progress has been made in assessing out of hours service requirements, in developing service business continuity plans and an external document hosting solution is included as part of the Google suite but further work is required to deliver the recommendations in full.
North West Construction Hub, Performance Management Framework (March 2016)	1	The Chair of the NWCH Board to ensure the vision, strategic objectives and expectations of the Hub are clearly defined and understood. Progress has been impacted by changes in Board membership and officers in the NWCH Team.
Capital Programmes and Property Financial Control and Fees Management (June 2016)	1	The Interim Head of Delivery to introduce standardised fee calculation and management processes across Education, Placemaking and Highways. This is now

Audit Report (and date issued)	No.	Recommendation Summary
		part of the overall improvement programme for the Capital Programmes Division for completion in 2017.
Revenue Framework Contracts (October 2014)	1	Framework contract reports should provide clarity on the criteria to be used for the award of work from the framework and expectations on how this should be carried out. Improved quality of some reports has been confirmed but issues of consistency and compliance remained which are being tested and assessed as part of a current audit on Contractor Selection and Award.
<b>Children &amp; Families</b>		
Emergency Duty Service (September 2016)	1	The outstanding recommendation required a change to staff guidance. Managers confirmed this had been made and communicated to staff but we have asked to see it before we confirm as implemented as it is not yet online.
Management Assurance: Supervisions (October 2016)	6	Senior managers considered original implementation dates were probably over ambitious but confirmed progress is being made to implement recommendations focusing on improving compliance with Supervisions procedures, including frequency, data retention and recording, coverage and improvement actions.
Alternative Provider Framework Contract: Secondary Pupil Referral Unit (January 2016)	6	Recommendations focused on framework contract arrangements, which were being redesigned to ensure decisions provided value for money. We plan to revisit the Unit shortly to follow up on progress.
Contract Management – Children’s & Families (March 2016)	2	Recommendations centred on expanding a SAP contracts module across the Council, requiring ICT Board approval, and changes to governance arrangements. Progress was limited by a higher prioritisation of competing ICT projects.

9.4 When Internal Audit is unable to confirm that recommendations have been implemented more than 12 months after their due date they are written back to the Strategic Director. This is to acknowledge that the risk in respect of the recommendations has effectively been accepted.

9.5 In the period seven recommendations were written back. Six of these were to the Director of Adults Services. These related to a Mental Capacity Assessments (Adults) Internal Audit report issued on 7 January 2015 which contained nine recommendations agreed for implementation. Of these we

consider that three had been partially implemented but three were outstanding so all six were referred back to the in relation to:

- Development of arrangements to ensure the effective completion of MCAs and subsequent transfer of information between Health and Council services.
- Establishment of management information needs regarding MCAs to enable effective and efficient performance management.
- Training requirements, current provision and monitoring processes.

9.6 These are issues that are being addressed as part of the health and social care integration programme and development of social care systems but as the agreed actions could not be evidenced as having been addressed the recommendations were referred back to the Director. From an Internal Audit perspective, health and social care integration will remain an area of focus as part of the development of the 2017/18 Internal Audit Plan.

9.7 The other referred recommendation to the Director of Education and Skills in respect of Education Operational Services: Statutory Assessment Team from a report issued in May 2015. This related to the formal assessment and agreement of resource requirements necessary within the Council and with partners to manage the timely production of Education Health Care Plans (that had replaced Special Education Needs Statements). We acknowledged that other actions had been taken, and that close management and monitoring of the completion of EHCPs was ongoing which should help reduce the risk but reported to the Director that this recommendations had not been implemented as originally agreed.

## **10 Conclusions**

10.1 Members are asked to note the Internal Audit Assurance Report to December 2016.

## Appendix One: Audit Assurance Trend Analysis

### 1. Internal Audit Opinions

- 1.1 Table 1 summarises the assurance opinions issued in the period 2011-2016. Table 2 provides the same analysis for schools, noting that there were no full or no assurance opinions issued in the period.
- 1.2 These tables do not represent the totality of internal audit work as they exclude activity which does not result in formal report opinions including:
- advice, guidance and engagement in working groups / boards;
  - position statements on developing system audits; and
  - certifications of grants and other returns, which have increased since 2011/12.

**Table 1 – Audit Report Opinions (Council) 2011-2016**

	2011/12	2012/13	2013/14	2014/15	2015/16
Annual Opinion	Substantial	Substantial	Substantial	Moderate	Moderate
Full ●	1 (2%)	5 (9%)	4 (8%)	6 (13%)	4 (9%)
Substantial ●	26 (37%)	27 (47%)	16 (31%)	14 (30%)	16 (34%)
Moderate ●	31 (44%)	18 (32%)	25 (49%)	16 (34%)	16 (34%)
Limited ●	12 (17%)	7 (12%)	6 (12%)	11 (23%)	10 (21%)
None ●					1 (2%)
<b>Total Opinions</b>	<b>70</b>	<b>57</b>	<b>51</b>	<b>47</b>	<b>47</b>

**Table 2 – Audit Report Opinions (Schools) 2011-2016**

Opinion	2011/12	2012/13	2013/14	2014/15	2015/16
Substantial ●	8	3	2	1	3
Moderate ●	24	9	10	17	15
Limited ●	4	4	3		1

- 1.3 The analysis demonstrates that limited and no assurance opinions have increased as a proportion of overall opinions issued in reports. In 2011/12 the proportion was 17% and this increased to 23% in both 2014/15 and 2015/16. The increase from 2014/15 is notable as that is also the year when the Head of Internal Audit and Risk Management Annual Audit Opinion was reduced from Substantial to Moderate.
- 1.4 It is notable that the proportion of full and substantial assurance opinions has remained relatively constant in the period at around 40%.
- 1.5 From 2013-16 the areas noted in the Head of Internal Audit and Risk Management annual report as presenting particular risks and impacting the overall annual opinion were as follows:

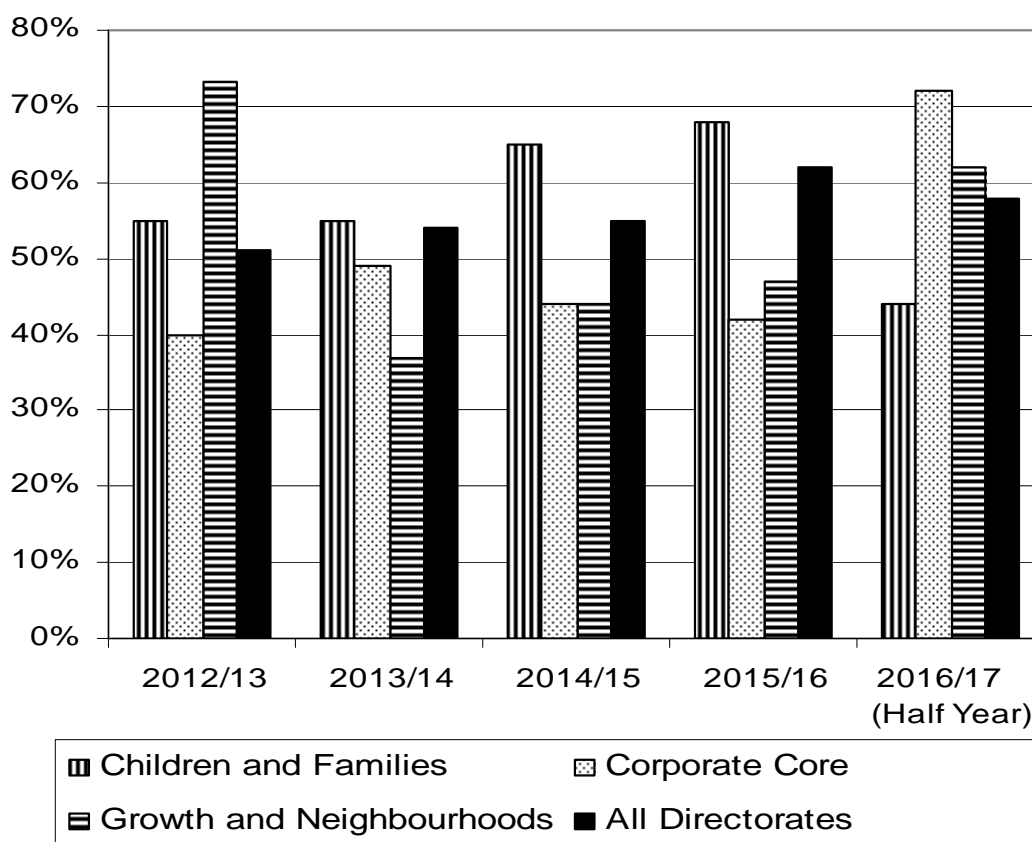
2013/14	2014/15	2015/16
Mental Health Safeguarding Compliance Casework	Children's Services Ofsted Improvement	Children's Services Ofsted Improvement
ICT resilience	Children's and Families Compliance	Children's and Families Compliance
Information Management	Information management and data protection	ICT resilience and security
	ICT resilience, security and delivery of key ICT projects	Capital programmes

- 1.6 Internal Audit work, planned on a risk basis, has been focused in a number of known key risk areas including ICT, social care, childrens services. As such it was anticipated by management that such audits would help identify areas for improvement and that opinions would not provide substantial or full assurance. This could have contributed to the proportionate increase in low assurance opinions. It is also noted that Council financial resources and capacity has also reduced over the last five years and this may also be a contributory factor.

## 2. Internal Audit Recommendations

- 2.1 The implementation of critical, major and significant priority recommendations over the five years 2011-2016 is illustrated in Chart 1 below. This demonstrates that overall implementation has remained relatively constant at between 50-60%. Partially implemented recommendations remained relatively constant at 15-20% over the same period.
- 2.2 The relative performance across Directorates for 2011-16 demonstrates that there are variations in performance across the years. For example, whilst Children and Families performance reduced below 50% at the end of September 2016, Directorate implementation at the end of 2015/16 was close to the target of 70%.

**Chart 1 – High Priority Recommendations Implemented 2011-16**



2.3 It should be noted that the relative percentage implementation alone does not reflect the varying volumes of recommendations to be addressed. As Table 2 demonstrates the majority of recommendations in recent years have related to Children and Families. To achieve the target implementation rate of 70% therefore can present a greater challenge in this Directorate than may be the case in other areas.

**Table 2 – Numbers of High Priority Recommendations 2013-16**

Opinion	2014/15	2015/16	2016/17 To Date
Children and Families	94	79	45
Corporate Core	44	43	11
Growth and Neighbourhoods	24	21	13
<b>Total</b>	<b>162</b>	<b>143</b>	<b>69</b>

- 2.4 Implementation of recommendations is reported to Directorate Management Teams, Strategic Management Team and in summary to Audit Committee on a quarterly basis.
- 2.5 Internal Audit review recommendations with managers on an ongoing basis to ensure they remain relevant. This process includes understanding challenges to implementation as actions agreed to address risks can sometimes be superseded by other priorities or changes. It can also result in agreement of alternative, appropriate actions to be taken but only if they address the identified risks.
- 2.6 Reports to Directorate Management Teams include details of outstanding recommendations and exposure to risk. Senior managers are reminded when deadlines fall due and when these are missed so that remedial actions can be taken. These arrangements include a formal escalation process to Lead Auditors, Audit Manager and the Head of Internal Audit and Risk Management.
- 2.7 If recommendations are cannot be confirmed as implemented within 12 months of the due date, the Head of Internal Audit and Risk Management writes to the relevant Strategic Director to confirm that they have not addressed the reported risk. Details of these referrals being reported to Audit Committee has been provided but has been inconsistent. This is an area for improvement so future Internal Audit reporting to Audit Committee will include details of all referrals.

## Appendix Two

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
<b>Adults</b>			
Independent Living Fund <i>Issued 22/06/16</i>	Final	Limited ●	High
GM Social Work Academy: Grant Certification ( <i>new work</i> ) <i>Issued 28/06/16</i>	Complete And Certified	Substantial ●	N/A
Better Care Fund: Social Care (Capital) Grant 2015/16 <i>Issued 29/06/16</i>	Complete And Certified	Substantial ●	N/A
Appointeeships and Deputies – Control over Cash <i>Issued 21/12/16</i>	Final	Moderate ●	High
Manchester Health and Social Care Integration: Governance	Fieldwork Completed	Set at Draft	Set at Final
Adults Quality Assurance Framework	Fieldwork started		
Manchester Health and Social Care Integration: Financial Management	Planning		
Manchester Health and Social Care Integration: Statutory Duties	Planning		
Adults Services Assurance Map	Fieldwork started	N/A	N/A
<b>Children's Services</b>			
Foster Care Payments <i>Issued 04/07/16</i>	Final	Limited ●	High
Early Help Delivery	Final	N/A	
Ofsted Improvement Plan: MiCare Casework Management Data Quality <i>Issued 16/06/16</i>	Final		
Troubled Families PbR Certification <i>30/09/16</i>	Complete And Certified		
Schools Financial Value Standard 2015/16 <i>Issued 25/05/16</i>	CFO Assurance Statement		
Ofsted Improvement Plan - MiCare Casework Management Data Quality <i>Issued October and December 2016</i>	Complete - Bi-Monthly Reports		
Ofsted Improvement Plan: Emergency Duty Service <i>Issued 16/9/16</i>	Final	Moderate ●	High



Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Quality Assurance Framework - Safeguarding and Social Work	Draft	Moderate ●	Set at Final
Management Assurance over Casework Management – Supervisions <i>Issued 21/09/16</i>	Final	Limited ●	High
Children’s Services Assurance Map	Fieldwork Started	Set at Draft	Set at Final
Signs of Safety Implementation	Fieldwork Started		
School Attendance Data: Thematic Audit	Planning		
Multi Agency Safeguarding Hub (MASH)	Planning		
Troubled Families PbR Certification Jan 2017	Planning		
Schools Financial Value Standard 2016/17	Planning		
Troubled Families PbR Certification Mar 2017	Planning		
Troubled Families LOGASNet User Access Audit	Cancelled		
MOSAIC – Upgrade of Social Care System	Cancelled		
<b>Schools</b>			
Lancasterian	Draft	Limited ●	Set at Final
School Attendance Data: Thematic Audit <i>Issued 15/12/16</i>	Draft	Moderate ●	
School Cash Handling: Thematic Audit	Fieldwork completed	Set at Draft	
Abraham Moss: Primary and Secondary <i>Issued 22/07/16</i>	Final	Substantial ●	High
Abbott Community Primary <i>Issued 19/05/16</i>	Final	Satisfactory ●	Not Assessed
Ashbury Meadow Primary <i>Issued 29/05/16</i>	Final	Satisfactory ●	
Ashgate Specialist Primary <i>Issued 29/04/16</i>	Final	Satisfactory ●	
Holy Name RC Primary <i>Issued 26/04/16</i>	Final	Satisfactory ●	
Northenden Community Primary <i>Issued 05/05/16</i>	Final	Satisfactory ●	
Oswald Road Primary <i>Issued 24/05/16</i>	Final	Satisfactory ●	

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Park View Community <i>Issued 24/05/16</i>	Final	Satisfactory ●	
Button Lane Primary <i>Issued 24/05/16</i>	Final	Limited ●	
Irk Valley Community Primary <i>Issued 19/05/16</i>	Final	Satisfactory ●	
Higher Openshaw Community Primary <i>Issued 07/06/16</i>	Final	Satisfactory ●	
St Agnes C of E <i>Issued 19/05/16</i>	Final	Satisfactory ●	
Wright Robinson Sports College <i>Issued 16/06/16</i>	Final	Satisfactory ●	
St Chad's RC Primary <i>Issued 05/07/16</i>	Final	Satisfactory ●	
Cheetwood Community Primary <i>Issued 08/06/16</i>	Final	Satisfactory ●	
Chapel Street Primary <i>Issued 17/06/16</i>	Final	Substantial ●	
<b>Corporate Core</b>			
<b>Brought forward from 2015/16</b>			
AGS/Significant Partnerships Register <i>Issued 11/08/2016</i>	Final	Full ●	Not assessed
ICT Incident Management <i>Issued 03/06/2016</i>	Final	Moderate ●	Not assessed
Adults Financial Assessments <i>Issued 20/05/2016</i>	Final	Moderate ●	High
Benefits and RBV <i>Issued 19/05/2016</i>	Final	Substantial ●	Not assessed
PCNs Debt Recovery Process <i>Issued 18/05/2016</i>	Final	Substantial ●	High
<b>2016/17</b>			
URBACT II	Final	Grant Certification	
GMPF Workbook Validation <i>Issued 2/6/16</i>	Final	N/A	
Payments SAP <i>Issued 7/12/16</i>	Final	Substantial ●	N/A
Carbon Reduction Commitment <i>Issued 28/07/2016</i>	Completed	N/A	
Disabled Facilities Grant <i>Issued 24/08/2016</i>	Completed		
Payment Card Industry Data Security Standard (PCI DSS) <i>05/09/2016</i>	Presentation Completed	Advice and Guidance	

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Teachers Pensions	Final		
NSL Clamping Issued 23/8/16	Final		
CCTV Bus Lane Notifications	Final		
Attendance Management Issued 14/11/16	Final	Moderate ●	High
Hybrid Mail Project (Printing ICT Project) 15/12/16	Final	Moderate ●	High
Fixed Assets – Highways Valuations	Fieldwork Complete	Set at draft	Set at Final
General Ledger – Suspense Accounts	Fieldwork Completed		
Payments Other – Manual Uploads	Fieldwork Completed		
PCI DSS 2	Fieldwork Completed		
Business Rates	Fieldwork Completed		
The Factory Grant	Fieldwork on going		
Legal Services - Financial Management	Fieldwork Started		
Development and Implementation of Primerva System	Planning		
Benefits and RBV	Planning		
Use of External Resources	Planning		
Changes following HR Strategic and Transactional Reviews	Planning		
AGS/Significant Partnerships Register	Not Started		
Capital Programme Monitoring and Delivery	Not started		
Triangulum	Defer to 2017/18		
<b>Growth and Neighbourhoods</b>			
Food Standards Agency (FSA) <i>Issued 07/06/2016</i>	Final	Moderate ●	High
National Trading Standards Board (NTSB) Grant <i>Issued 12/06/2016</i>	Final	Grants Certified	
Grant Certification - URBACT III <i>Issued 29/06/2016</i>	Final		

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Fleet Co-location – Taxi Compliance Testing	Final	Moderate ●	High
Christmas Markets – Financial and Management Overview	Fieldwork Complete	Set at Draft	Set at final
Management and Governance of Events	Fieldwork Complete		
Grant Certification - Various Highways Claims	Final	Grants Certified	
Development and Implementation of Selective Licensing (Landlords)	Fieldwork Started	Set at draft	Set at final
Disabled Facilities Grant Scheme	Fieldwork Started		
BDUK Voucher Scheme	Completed		
Neighbourhoods Legal Enforcement Compliance	Planning		
Town Hall refurbishment and Decant	Planning		
Implementation of Works and Skills Strategy	Planning		
Flare Service requests Compliance	Planning		
Waste Services Requests Compliance – Residential and Business	Not started		
Implementation of Place Plans and Place Board Governance	Not started		
Efficiency of scripting in CRM in dealing with requests for service	Cancelled		
Residential Growth and Manchester Place	Cancelled		
<b>Procurement, Contracts and Commissioning</b>			
Cycle City Ambition Grant (CCAG) <i>Issued 29/04/2016</i>	Final	Certified	
Supply Chain Performance Management <i>Issued 22/03/2016</i>	Final	Moderate ●	Not Assessed
Highways Maintenance Review <i>Issued 31/08/2016</i>	Final	No ●	Not Assessed
Financial Control and Fees Monitoring <i>Issued 06/06/2016</i>	Final	Moderate ●	High
Leisure - GLL Contract Management <i>Issued 07/09/2016</i>	Final	Substantial ●	High
ICT Contract Management <i>Issued 09/09/2016</i>	Draft	Moderate ●	Set at Final
Public Health Contracts	Draft	Moderate ●	

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Contract Sign Off Process	Draft	Moderate ●	
North West Foster Care Framework	Draft	Limited ●	
Contractor Selection and Award	Fieldwork started	Set at Draft	
Waste Management Contract	Rescoping		
Housing Contract Management	Planning		
Capital Contracts	Not started		
Review of Commissioning Strategy and Model – A&G			
Leisure – Contract Retender Approach – A&G			
Contracts Assurance Framework – Assurance Mapping	Deferred		
VFM Considerations Major Contracts	Deferred		
<b>Data, Information and Systems</b>			
ICT Joiners, Movers & Leavers A&G	Field Work Completed	Set at draft	Set at final
Continuous Auditing – Payroll	Field Work Complete		
ICT Strategy Delivery	Fieldwork Started		
ICT Programme and Project Management	Planning		
Disaster Recovery	Planning		
Academy – Application Audit	Planning		
Barclays.net – Application Audit	Planning		
Information Strategy	Planning		
Email and internet filtering	Planning		
Wenlock Way – Document Management	Cancelled		