

**Manchester City Council
Report for Information**

Report To: Audit Committee - 27 June 2017

Subject: Internal Audit Plan 2017/18

Report of: City Treasurer / Head of Internal Audit and Risk Management

Summary

Standards for Internal Audit in local government are set out in the Public Sector Internal Audit Standards (PSIAS) and a Local Government Application Note introduced by the Chartered Institute for Public Finance and Accountancy. The PSIAS confirm that the Council should periodically prepare risk based plan of Internal Audit activity designed to support an annual opinion on the effectiveness of the systems of governance, risk management and internal control and is informed by the audit strategy, consultation with stakeholders and a dynamic assessment of risks.

The PSIAS emphasises the need for a strong working relationship between Internal Audit and the Audit Committee and that this should include arrangements for Audit Committee to “review and assess the annual internal audit work plan.

Recommendations

Members are requested to review, assess and approve the Annual Internal Audit Plan for 2017/18.

Wards Affected:

None

Contact Officers:

Carol Culley
City Treasurer
Tel: 234 3406
E-mail c.culley@manchester.gov.uk

Tom Powell
Head of Internal Audit and Risk Management
Tel: 234 5273
E-mail t.powell@manchester.gov.uk

Background documents (available for public inspection):

- Internal Audit Emergent Plan 2016/17 (March 2017)

- Annual Internal Audit Report 2016/17
- Annual Governance Statement 2016/17

Internal Audit Plan 2017/18

1. Background to report

- 1.1. The Public Sector Internal Audit Standards (PSIAS) 2017 set out the standards for internal audit and have been adopted by the service in Manchester. All internal audit assurance and consultancy services fall within the Definition of Internal Audit.
- 1.2. The PSIAS include the need for “risk based plans” to be developed for internal audit and for plans to receive input from management and the “board”. For the Council as in previous years this process included the development of an emergent plan which was shared with management and the Audit Committee. This final plan has been developed following consultation and includes requests for audit work from key stakeholders where appropriate. The purpose of this report is to confirm the 2017/18 annual Internal Audit plan.

2. Basis for the Plan

- 2.1. The PSIAS (section 2000) state that the “Chief Audit Executive” must “establish risk based plans to determine the priorities of the internal audit activity, consistent with the organisations goals”. They refer to the need for the plan to reflect the assurance framework, risk management arrangements and input from management and “the board”. These principles have been applied in the development of the 2017/18 plan as follows:

A. Annual Internal Audit Opinion (PSIAS 2010)

- The Head of Internal Audit forms an annual assurance opinion based on an annual programme of audit work and assurance obtained by other means. It is not considered cost effective or necessary to obtain audit coverage of all strategies, systems, business areas and risks so these are reviewed on a risk basis each year.
- The current approach is to provide a range of types of audit work which provide for different scope and coverage. These four types are:
 - Audit Opinion Reviews (c50% of plan)
 - Audit Assurance Reviews (c20% of plan)
 - Advice, Guidance and Support (c10% of plan)
 - Counter Fraud, Probity and Investigations (c20% of plan)
- Advice and guidance is provided to services and partnerships where appropriate based on requests from management and resource is also allocated to support developing systems and a range of emerging projects. There is a significant focus on this type of work because of the level of transformation and change across the Council and our partners and the need to target audit support and engage with stakeholders in a timely way.
- The Head of Internal Audit seeks to place reliance on assurance mechanisms within the Council as well as the findings of other auditors

and inspectors in forming the audit plan and in reaching his annual opinion. This remains an area for ongoing development and will be considered as part of a wider service development review in 2017.

- The plan is flexible and is reviewed and adjusted throughout the year, as necessary, in response to changes in policies, systems, processes, risks and controls across the Council. These changes are communicated to Audit Committee and senior officers.

B. Based on a Risk Assessment (PSIAS 2010.A1)

- The Internal Audit Section work closely with the Council's Risk and Resilience Team under a single Head of Service. The Audit Manager liaises with the Risk and Resilience Manager to share intelligence. Internal Audit engages with Strategic Directors and Heads of Service, as well as colleagues across the Core in HR, legal, finance and ICT to ensure that known and emerging risks are considered in annual audit planning.
- Assignment audit planning considers key risks and the scope of audit work is designed to ensure that local and national issues and risks are addressed.
- The Head of Internal Audit ensures a culture of risk awareness is maintained within the service so that all members of the team are aware of local, regional and national risks in the performance of their duties.
- Through regular liaison and the sharing of emergent plans with colleagues across the North West, Greater Manchester and the Core Cities, Internal Audit ensures that it is aware of emerging risks in other Councils and considers these as part of audit planning.

C. Informed by Expectations (PSIAS 2010.A2)

- The Internal Audit Service is aligned to service and directorate structures, ensuring teams engage actively with Strategic Directors and their teams.
- The annual plan is based on consultation and discussion with these directorate management teams and key officers to ensure it is focused on key risks, core systems and areas where Internal Audit can effectively contribute to the effectiveness and efficiency of governance, risk management and control processes.
- An emergent plan is produced to help ensure effective engagement with Elected Members represented on the Council's Audit Committee.

3. Annual Planning

- 3.1. The approach to audit planning in the Council for 2017/18 has been based largely, but not exclusively, on the following:
- Review of the Corporate Risk Register
 - Review of Directorate Business Plans, financial plans and related risk registers.
 - Review of the OurManchester Strategy, OurPeople Strategy and other key strategy documents.
 - Assessment of the outcomes from audit and investigation work in 2017/18 and earlier years.
 - Engagement with Strategic Directors, Heads of Service and directorate management teams.
 - Engagement with audit colleagues across the North West, Greater Manchester and the Core Cities.
 - Engagement with external audit
 - Engagement with colleagues across the Core, including Finance, HR&OD, Legal Services and ICT.
 - Engagement with the Risk & Resilience, Insurance & Claims and Health & Safety teams within the Audit and Risk Management Division.
- 3.2. On this basis, a plan of areas and specific audits and assurance reviews has been developed to provide coverage of the organisation and key assurance needs. Areas have been considered on a risk basis in consultation with Strategic Directors and their management teams. Engagement is ongoing throughout the year to ensure that the risks identified are consistent with their understanding and assessment of assurance and support needs.

4. Key Characteristics of the Annual Plan

Scale and Pace of Change

- 4.1. The Internal Audit Plan takes account of the impact of the Council's overall business environment as substantial changes continue to be made in the design, commissioning and delivery of services and are embedded into business as usual. This includes reduced financial and staffing resources impacting on structures and changing roles as well as the impact on business delivery models as a result of devolution, partnership working and collaboration within the City and across Greater Manchester. The overall objective remains to provide assurance over the implementation of changes and reform, with a reduced workforce whilst delivering business as usual and achieving key priorities.
- 4.2. The plan is designed to offer sufficiently **flexibility** to enable assurance to be obtained over current as well as emerging risks. As a result there are areas where the scope of some Internal Audit work is not fully defined at the start of the year but where allocations of resource are made in anticipation of work to support good governance, risk management and control. The plan therefore includes some blocks of resource which will be assigned when the work is more apparent and can be scoped effectively in year.

- 4.3. This remains relevant for 2017/18 based on a number of key factors including:
- Budget savings are to be delivered linked to transformation of services and changes in service delivery models.
 - The ongoing governance, risk and control impacts of devolution and major local changes such as the planned integration of health and social care need to be effectively managed
 - The early stages of development and implementation Our Manchester and new Our People strategy.
 - The need for flexibility to provide appropriate assurance at various stages of projects such as The Factory and Our Town Hall.
 - The resource availability of Internal Audit Assurance and Counter Fraud is finite and needs to be targeted at areas of highest risk and where there is more benefit in support the Council's priorities. The plan therefore reflects the available resources of the Internal Audit Service.
- 4.4. Periods of change inevitably increase the potential for risks, both positive (opportunities) and negative (hazards). Changes in governance, roles and responsibilities for example provides opportunity for a breakdown in control as well as an opportunity to consider new, more efficient ways of organising systems, processes and deploying people without impacting adversely on internal control. To reflect this risk the plan will continue to allocate time for advice and guidance and developing systems work to **support** and **challenge** officers in the development of systems of governance, risk management and internal control.
- 4.5. The pace and scale of change across the Council requires assurance that is **prioritised** and **timely**. The Internal Audit plan provides for this assurance to enable any remedial actions needed to be taken on a timely basis. Based on experience and feedback from Directorate Management Teams there is a continued need for shorter, more focused and practical audits and advice. The scope of these will likely be narrower than a full system or risk based audit, but will provide assurance over the management of specific risks. Agreed audit scopes will be designed to recognise whether the audit will be to provide an assurance opinion or to offer other assurance work or advice in line with consultancy principles.
- 4.6. Based on the above the Head of Internal Audit considers that the Internal Audit objectives are most appropriately met by delivering a combination of different audit types and assessment of other sources of assurance and that resource is also directed to consultancy work where opinions may not be provided but advice and support given. This is not an uncommon approach but has been tailored to reflect the specific needs of the Council. It is consistent with the approach taken in the development and delivery of the 2016/17 plan.

Plan Structure

- 4.7. There are a number of different types of audit activity included in the annual plan. For 2017/18 the plan differentiates between four main types of audit work as follows:

| Type | Plan | Examples |
|---|------|--|
| Audit Opinion Reviews | 50% | System Audits Compliance Audits Risk Based Audits Governance and Strategy Audits |
| Audit Assurance Reviews | 20% | Developing Systems Reviews Management Assurance Requests |
| Advice, Guidance & Support | 10% | Attendance on working groups and boards Responses to reasonable management requests for support or guidance |
| Counter Fraud, Probity & Investigations | 20% | Proactive counter fraud activities Corporate counter fraud investigations Other counter fraud investigations |

4.8. The key outcomes of all audit opinion reviews; audit assurance reviews; and advice and guidance; and counter fraud activity will be reported to Strategic Management Team (“SMT”) and Audit Committee. For all audit opinion reviews in 2017/18, the opinion will reflect both the level of assurance of the system or area under review (no, limited, moderate, substantial or full) as well as the impact of the system or area (high, medium, low) to assist SMT and Audit Committee in highlighting areas of greatest risk.

4.9. The position on implementation of recommendations from all types of audit will be reported to Strategic Management Team, Executive Members and Audit Committee.

5. Plan Content

5.1. In summary, the audit plan is spread across the various types of audits based on assessed need. This reflects the need to focus on the management of emerging risks and to ensure the continued operation of controls within the Council’s overall governance arrangements, its systems and its processes.

5.2. The time allocated to assurance reviews and advice and guidance is reflective of the need to support the next phase of the design and implementation of a wide number of transformation proposals and this includes responding to changes in the management arrangements across the Core; Children’s; Adults and Health; Public Service Reform; and Contracts and Commissioning. Whilst the formal allocation of work to risk-based opinion work has reduced for this year, the increase in developing systems assurance reflects areas where there are known risks and where assurance is being sought that these risks are being identified and managed effectively.

- 5.3. To manage the audit plan and maintain flexibility within the resourcing available there are a number of block allocations proposed which will be used to draw down time for specific audit work based on risk assessment and need. This is to ensure that the plan remains current and responsive to business need in an ongoing period of change. In particular this approach will be used for proposed work on the Our Town Hall project; The Factory; Commissioning and Contracts; ICT; Our People / HR; and the impacts of implementing Our Manchester.
- 5.4. The need for continued investment of time in counter-fraud, irregularity and probity work continues and the plan again includes a block of audit and assurance work for procurement, commissioning and contracts.
- 5.5. External work includes paid assurance and advice work for the Greater Manchester Combined Authority and for schools and academies.
- 5.6. The approximate split of total available auditor time across the 2017/18 plan will be as follows:

| | Days 2017/18 | 2017/18 | 2016/17 |
|-------------------------------------|---------------------|----------------|----------------|
| Advice and Guidance | 188 | 7% | 7% |
| Counter Fraud and Irregularity | 534 | 19% | 20% |
| Contingency and 2016/17 Completion | 215 | 8% | 7% |
| Opinion: Compliance | 397 | 14% | 14% |
| Opinion: System | 431 | 15% | 16% |
| Opinion: Risk, Governance, Strategy | 110 | 4% | 15% |
| External Clients | 481 | 17% | 11% |
| Assurance: Developing System | 350 | 12% | 7% |
| Assurance: Management Support | 35 | 1% | N/A |
| Follow Up | 83 | 3% | 3% |
| Total | 2,824 | | |

- 5.7. The emergent plan has been compiled to reflect the Strategic Management Team structure as follows:
- Core: Deputy Chief Executive (People, Policy and Reform), City Treasurer, City Solicitor, Chief Information Officer and Director of Highways.
 - Growth and Neighbourhoods: Deputy Chief Executive (Growth and Neighbourhoods) and Director, Strategic Development.
 - Children's Services: Strategic Director of Children's Services; Director of Education and Skills
 - Adults Services: Strategic Director of Adult Services; Director of Public Health; and Joint Director of Health and Social Care.

- 5.8. The spread of time across these areas, as well as across the thematic areas of Counter Fraud and Irregularity and Procurement, Contracts & Commissioning is as shown below.

| Area | Days 2017/18 | % 2017/18 | % 2016/17 |
|--|---------------------|------------------|------------------|
| Counter Fraud and Irregularity | 534 | 19% | 20% |
| Children's and Adults Services | 320 | 11% | 11% |
| Contingency and 2016/17 Completion | 215 | 8% | 7% |
| Corporate Core | 289 | 10% | 14% |
| Data, Information and Systems | 197 | 7% | 10% |
| Education, Skills and Schools | 53 | 2% | 3% |
| External Clients | 481 | 17% | 11% |
| Growth and Neighbourhoods | 181 | 6% | 10% |
| Procurement, Contracts & Commissioning | 283 | 10% | 12% |
| Follow Up and Advice and Guidance | 271 | 10% | 2% |
| Total | 2,824 | | |

Scale of Plan

- 5.9. The annual plan needs to be deliverable within available resources. The service has an approved establishment of 18 staff (excluding the Head of Internal Audit and Risk Management) which is equivalent to 17 FTE with reduced hours arrangements. One Lead Auditor left on promotion at the end 2016/17 and one auditor will start maternity leave at the end of June reducing the available resource in year to 15 staff.
- 5.10. In addition, the Internal Audit Service will be undertaking a Service Development Review in 2017, which will include the development of lean audit approaches, agreement of collaboration opportunities and a review of the service structure. In line with Our Manchester and Our People the review will actively engage all staff in the development of the service and this is reflected in a reduction in the overall time available for direct audit work from the in house team. Whilst this will impact in 2017/18 it is an investment to help ensure the service is well placed to deliver service priorities for 2017-2020 and beyond.
- 5.11. To offset this impact and support delivery of GMCA work in 2017/18, the plan assumes that 300 days of additional resource will be bought in Resourcing options are being developed and are likely to include commissioning of specialist, external resources to support work, particularly around risk and assurance mapping; counter fraud awareness and training; and ICT audit. A decision on recruitment to the vacant Lead Auditor post will be informed by the review of the service and will be reported to Audit Committee later in the year.

- 5.12. As a consequence of the staffing position and development work, the available resources currently allocated to the management and delivery of direct audit work for 2017/18 is 2,824 days. This compares to 2,578 planned days for 2016/17.
- 5.13. Of the total audit resource, 2,343 days are allocated for the delivery of the Council audit plan for 2017/18. This compares to 2,229 planned days for Council audit work for 2016/17.

6. Recommendations

- 6.1. Members are requested to requested to review, assess and approve the Annual Internal Audit Plan for 2017/18.

Appendix 1 Audits in 2017/18 Internal Audit Plan

| Area and Allocation | Audit Title | Audit Type | Audit Priority | Proposed assurance to be obtained | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--------------------------------|---|-----------------------|----------------|--|---|---|---|---|---|---|---|
| Counter Fraud and Irregularity | Counter Fraud Training | Proactive | H | Training Strategy and roll out of training programme, including possible e-learning | | | | | | X | |
| | Counter Fraud Workshops | Proactive | H | Roll out of workshops specifically for schools regarding Counter Fraud | | | | | | X | |
| | Proactive Counter Fraud reviews | Proactive and Probity | H | Development and delivery of a series of detective counter fraud reviews focused on key risks with scopes to be finalised but planned to include: <ul style="list-style-type: none"> • NNDR Refunds • Vendor Credit Recovery • Right to Buy • Housing Tenancy Fraud | | | | | | X | |
| | Fraud Risk Assessment | Proactive | M | Review and Refresh of Fraud Risk Assessment over the year | | | | | | X | |
| | Counter Fraud Policy Review | Proactive | L | Review and refresh of the Anti -Fraud and Corruption and Anti Bribery policy and procedures | | | | | | X | |
| | National Fraud Initiative | Proactive and Probity | H | Co-ordination and facilitation of the Council's response to the NFI including data collation, review of matches and action to address anomalies. Including Single Person Discount and flexible matching | | | | | | X | |
| | Delivery of Counter Fraud Reviews: Duplicate Payments | Proactive and Probity | M | Annual review of duplicate creditor payments - possibly look to use an external resource | | | | | | X | |

| Area and Allocation | Audit Title | Audit Type | Audit Priority | Proposed assurance to be obtained | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------|--|------------------------------|----------------|--|---|---|---|---|---|---|---|
| | Fraud and Corruption Surveys and Returns | Proactive | M | Completion of survey and analysis of results and comparators as part of CIPFA surveys, under Transparency Code and in returns to Government | | | | | | X | |
| | Annual Fraud Report | Proactive | H | Report to Senior Officers and Audit Committee | | | | | | X | |
| | Reactive | Reactive | H | Block to address referred work and deliver investigations. This includes corporate fraud investigations, housing tenancy and Council Tax Reduction fraud referrals | | | | | | X | |
| Corporate Core | Disclosure and Barring Service (Safeguarding) | Opinion: System | H | Assurance over the effectiveness of arrangements in place to meet DBS requirements | | | | | | X | |
| | HR Transformation Programme and Business as usual | Assurance: Developing System | H | Advice and Guidance or assurance activity in relation to HR transformation to be scoped and agreed with HR Director | | | | | | X | 3 |
| | IR35 (intermediaries legislation). Contractors and staffing review | Advice and Guidance | H | To provide support to the business in ensuring fees payroll arrangements ensure compliance with legislation. | | | X | | | X | |
| | Annual Governance Statement | Opinion: Governance | L | Annual review of arrangements supporting the compilation of these key governance documents. | | | | | | X | |
| | Staff Expenses | Opinion: Compliance | L | Compliance with Council staff expenses policies and procedures. | | | | | | X | |

| Area and Allocation | Audit Title | Audit Type | Audit Priority | Proposed assurance to be obtained | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------|---------------------------------------|------------------------------|----------------|---|---|---|---|---|---|---|---|
| | Highways Efficiency Grant | Opinion: Compliance | Mandatory | To provide assurance over the Council's highway efficiency programme self-assessment return. Not a certification. | X | | | | X | X | |
| | Capital Financial Strategy | Assurance: Developing system | H | Work with capital strategy group in relation to developing systems and processes to support the new strategy. | X | | | | X | X | 5 |
| | MiCare and Abacus replacement - Block | Assurance: Developing System | HH | To provide advice, support and assurance over the introduction of replacements for MiCare and Abacus (social care and finance systems). | X | | X | X | | | |
| | ICT Application Audit | Opinion: System | H | Assurance over the integrity and availability of data held within the chosen application. Two ICT applications to be selected. | | | | | | X | 4 |
| | ICT Licensing | Opinion: System | H | Assurance over the Council's arrangements for ensuring compliance with software licensing requirements. | | | | | | X | |
| | Mobile Phones: Billing Data Analysis | Opinion: System | M | To analyse mobile phone billing data and identify any areas of unusual spend for investigation and validation. | | | | | | X | |
| | Cost Centre Manager Data Analysis | Opinion: System | M | To review Cost Centre Manager/Approver span of control, and ability to provide appropriate scrutiny of spend on a transactional | | | | | | X | |

| Area and Allocation | Audit Title | Audit Type | Audit Priority | Proposed assurance to be obtained | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------|---|------------------------------|----------------|---|---|---|---|---|---|---|---------|
| | | | | basis. | | | | | | | |
| | ICT Project Support - block | Assurance: Developing System | H | Advice and guidance to the project team supporting the implementation of systems. | | | | | | X | 18 |
| | General Data Protection Regulations (GDPR) implementation readiness | Assurance: Developing System | HH | To assess the appropriateness of the Council's plans and actions taken for ensuring compliance with the GDPR before the implementation date of May 2018. | | | X | | | X | 19 |
| | Going Google | Assurance: Developing System | H | Assurance over the new system targeting specific areas of risk such as security. Scope to be agreed. | | | | | | X | 18 |
| | Data Centre Replacement Project | Opinion: Risk | HH | Assurance over the appropriateness of plans to upgrade the Council's data centre provision. | | | | | | X | 5 18 |
| | PSN Code of Connection (CoCo) submission validation | Opinion: Compliance | H | To review the CoCo submission and give some assurance over the extent to which it reflects current security practices within the Council. | | | | | X | X | 4 18 |
| | Highways | Opinion: System | H | Follow up assurance work in Highways. Scope to be agreed focused on key areas of risk. | X | | X | X | X | X | |
| | Core Financial Systems | Opinion: System & Compliance | Mandatory | Delivery of programme of ongoing assurance over the effectiveness of the Council's core financial systems: <ul style="list-style-type: none"> • Council Tax • Income • Treasury Management | X | | | | | X | |

| Area and Allocation | Audit Title | Audit Type | Audit Priority | Proposed assurance to be obtained | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-----------------------|---|---------------------|----------------|--|---|---|---|---|---|---|----|
| | | | | <ul style="list-style-type: none"> Business Rates - Continuous Auditing Payroll - Continuous Auditing | | | | | | | |
| | Grant Certifications | Opinion: Compliance | Mandatory | Certification of grant returns including: <ul style="list-style-type: none"> GM Pension Fund Carbon Reduction Commitment Disabled Facilities Grant Cycle City Highways Maintenance Grants Growth Deal Urbact III (EU funding) Factory Arts Council Grant | X | X | X | X | X | X | |
| Children and Families | Troubled Families – Assurance Framework | Advice and Guidance | M | Support to Troubled Families Team in the development of a GM-wide performance and claims assurance framework. | X | | | | | X | 12 |
| | Transition to Adulthood | Opinion: System | HH | To ensure effective arrangements are in place to support young people transitioning from Children’s to Adults Services. | X | X | X | | | X | 8 |
| | Mental Health Safeguarding | Opinion: Risk | HH | To provide assurance over arrangements to transfer responsibility for Mental Health safeguarding from Manchester Mental Health Social Care Trust. | X | | | X | | X | 8 |
| | Adults Services | Opinion: | HH | To provide assurance that the Quality | X | | | X | | X | 8 |

| Area and Allocation | Audit Title | Audit Type | Audit Priority | Proposed assurance to be obtained | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------|---|---------------------|----------------|---|---|---|---|---|---|---|---|
| | Quality Assurance Framework | Compliance | | Assurance Framework is operating effectively and in accordance with requirements. | | | | | | | |
| | Management of Client Accounts | Opinion: Compliance | HH | Audit of operational management of client accounts by Client Financial Services: financial accounts and supporting evidence; records are complete; cash is held and handled securely and management oversight, challenge and assurance is effective. | X | | X | X | | X | 8 |
| | Afghan Resettlement Project Grant Certification | Opinion: Compliance | Mandatory | To ensure grant claims submitted to the Home Office comply with grant conditions and requirements specifically client eligibility, data and systems confirm entitlement to funding, deadlines for are met and claims are approved, invoiced, received/paid, accounted for and reconciled. | | | X | X | | X | |
| | Children's Safeguarding Governance | Opinion: System | HH | Provide assurance over the effectiveness of safeguarding governance and scrutiny arrangements including Manchester Safeguarding Children's Board partnership role, Oversight and Scrutiny Committee, Audit Committee and senior Council managers. | X | | | | | X | 6 |

| Area and Allocation | Audit Title | Audit Type | Audit Priority | Proposed assurance to be obtained | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------|---|------------------------|----------------|---|---|---|---|---|---|---|---|
| | Payments to Carers | Opinion: System | H | System audit of process for making payments to carers. Scope includes Special Guardianship Orders, adoptions and follow up testing on foster care payments. | X | | | | X | X | 6 |
| | Ofsted Improvement Actions | Opinion: Risk | H | To ensure action to address Ofsted recommendations is progressing as planned including delivery of improvements from inspection / monitoring visits. | X | | | | | X | 6 |
| | Children's Services Quality Assurance Framework | Opinion: Compliance | HH | Compliance with Quality Assurance framework policy: roles and responsibilities, recording and timeliness of activity, compliance with practice standards (including Signs of Safety). | X | | | | | X | 6 |
| | Children Missing from Home or Care / Complex Safeguarding / Child Sexual Exploitation | Opinion: Compliance | HH | Review of compliance with new procedures and guidance, how information contributes to strategic and case planning, and reporting arrangements, following Missing / Child Sexual Exploitation teams strategic integration. | X | | X | | | X | 6 |
| | Early Help – Compliance | Opinion: Compliance | HH | Ensure new Early Help policies and procedures operate effectively to provide appropriate and timely | X | X | | | | X | 6 |

| Area and Allocation | Audit Title | Audit Type | Audit Priority | Proposed assurance to be obtained | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-------------------------------|--|------------------------------|----------------|--|---|---|---|---|---|---|----------|
| | | | | preventive intervention. Scope will cover new assessment process including referrals, case review and closure, data input, reporting and role of Early Help Hubs. | | | | | | | |
| | Health and Social Care Integration - Block | Assurance: Developing System | HH | Block of time to support the integration of health and social care arrangements in Manchester. Focus likely to be around providing assurance to the Commissioning Function. | X | | X | X | | | |
| | Troubled Families - Validation of Performance Data | Opinion: Compliance | Mandatory | Assurance that Troubled Families performance data reported to DCLG is complete and accurate. Testing to focus on that reported data has been extracted fully and accurately from the system and that there is adequate evidence supporting key worker assessments. | X | | | | | X | 12 |
| Education, Skills and Schools | School audit assurance | Opinion: System | H | Annual programme of school focused work including: <ul style="list-style-type: none"> Targeted schools audits focused on specific issues of concern Thematic audits of data security and e safety Supporting S151 Officer assurance to the Department for Education | X | X | X | | | X | 15 16 |
| Procurement Contracts & | Leisure Contract Retender 2018 | Assurance: Developing | H | To provide advice and support to the proposed approach to retendered this | X | | | X | | X | |

| Area and Allocation | Audit Title | Audit Type | Audit Priority | Proposed assurance to be obtained | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------|--|-------------------------------|----------------|--|---|---|---|---|---|---|----|
| Commissioning | | System | | contract. To include contract terms and conditions. | | | | | | | |
| | Contract Management Procedures and Processes | Assurance: Developing System | M | Advice and Guidance linked to reform and innovation - potential collaboration opportunities to support service redesign, system, process and practice improvements over contract management. | X | | | | | X | |
| | Social Value | Opinion: System | M | Review of progress on implementation of the social value & ethical procurement policy and related initiatives. | X | | X | | | X | |
| | Contract Management - Block | Opinion: Risk | M | Programme of audit work designed to provide assurance over the effective operation of high risk/value Council contracts. The review will focus on the fundamental aspects of contract management including contract governance, compliance and performance management. | X | | X | | | X | |
| | Capital Programme - Block | Assurance: Management Support | H | Assurance or advice and guidance based on assessment of need with new Director. | X | | | X | X | X | 11 |

| Area and Allocation | Audit Title | Audit Type | Audit Priority | Proposed assurance to be obtained | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------|---|------------------------------------|----------------|---|---|---|---|---|---|---|----|
| | Factory Project | Assurance: Developing System | H | Thematic Project assurance work linked to timelines for reporting to Executive. Likely to be 2-3 reports during the year. First report focuses on Governance and due to report June 2017 | X | | X | X | X | X | 11 |
| | Financial Management and cost control- Revenue Contracts | Opinion: Compliance | M | Review of the effectiveness of processes to control the commercial aspects of contracts. Selection of contracts. | | | | | | X | |
| | Waste Contract - Performance Data Quality | Opinion: Compliance | H | Review to focus on validity and integrity of performance data and quality assurance processes as part of the Price Performance Management programme for the waste contract. | X | | | X | | X | 12 |
| | Construction and Property Professional Services Framework | Opinion: Compliance | H | Review of commissioning approach and value for money. | X | | | | | X | |
| | Contract Management- Performance Reporting | Opinion: Compliance | H | Quality of performance reporting taking place around key contracts. To include ownership, responsibility and accountabilities, Senior Management oversight and role of commercial/commissioning boards. | X | | | | | X | 11 |
| | Contract Formalisation - Follow up / | Assurance: Developing System | H | Input into development of risk assessment / mitigating actions to support improvement in compliance | | | | | | X | |

| Area and Allocation | Audit Title | Audit Type | Audit Priority | Proposed assurance to be obtained | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|----------------------------------|----------------|--|---|---|---|---|---|---|----|
| | Development work | | | within contract formalisation processes | | | | | | | |
| | Growth and Neighbourhoods Contract Monitoring | Opinion: Compliance | H | To review the arrangements for contract monitoring, reporting and payments for a selection of contracts. | X | | | | | X | |
| Growth and Neighbourhoods and Strategic Development | Selective Licensing | Opinion: System | M | To review the developing systems around landlord licencing and property inspections. | X | | | X | | X | |
| | Our Town Hall - Block | Assurance: Developing System | HH | Annual programme of work will be determined with the Senior Responsible Officer based on the development plans. Scope proposed to include key areas including, governance, budget monitoring and cost control, risk management, procurement strategy and decant. | X | | X | | X | X | 10 |
| | Christmas Markets Follow Up | Opinion: Compliance | H | Follow up audit on the operational financial and governance risks identified in the last audit to assess progress. | X | | | | | X | 21 |
| | Northwards - Capital Programmes Team | Opinion: Governance and Strategy | M | Assurance over operational practices and management of works in the Capital Programmes Team within Northwards. Collaborative audit support with Northwards and potentially in conjunction with a | X | | | X | | X | 11 |

| Area and Allocation | Audit Title | Audit Type | Audit Priority | Proposed assurance to be obtained | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------|--|-------------------------------|----------------|---|---|---|---|---|---|---|----------|
| | | | | strategic lead from the Council's Capital Programmes Division. | | | | | | | |
| | Community Safety, Compliance & Enforcement (CSCE) Annual Constitution Review Process | Opinion: System | M | To provide management with assurance over the recent Constitution review and refresh process. To include scheme of delegation, authorities and training and skills. | | | | | | X | |
| | Retail Markets – Financial Management and Control | Assurance: Management Support | H | To provide assurance to the Director over the financial management and control of the retail markets. | X | | | X | | X | 20 21 |
| Follow Up | Follow-up of Internal Audit recommendation implementation | | | | | | | | | | |
| External Clients | Delivery of Internal Audit services to GMCA, schools, academies and other clients | | | | | | | | | | |
| Brought forward | Completion of audits and investigations from 2016/17 | | | | | | | | | | |

Key showing how audits in the plan link to the Community Strategy (Our Manchester), Council priorities and Corporate Risk Register

Our Manchester Themes

1. A thriving and sustainable city
2. A highly skilled city
3. A progressive and equitable city
4. A liveable and low carbon city
5. A connected city

From a Council Perspective the Internal Audit Plan also links to

6. The Corporate Core Business Plan Objectives of Good Governance, Accountability, Effectiveness, Leadership of Reform and Value for Money
7. The Corporate Risk Register (reported to Audit Committee on 6 March 2017)