



Audit Committee

Date: Tuesday, 19 January 2021

Time: 10.00 am

Venue: Virtual meeting - <https://vimeo.com/496799660>

This is a **Supplementary Agenda** containing additional information about the business of the meeting that was not available when the agenda was published

**The Local Authorities and Police and Crime Panels
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Membership of the Audit Committee

Councillors - Ahmed Ali (Chair), Clay, Lanchbury, Russell and Watson

Independent Co-opted Members – Dr S Downs and Dr D Barker

Supplementary Agenda

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|---|---------|
| 6. Internal Audit Assurance Report Quarter 3 | 3 - 24 |
| The report of the Deputy Chief Executive and City Treasurer and the Head of Internal Audit and Risk Management is enclosed. | |
| 7. Outstanding Audit Recommendations Quarter 3 | 25 - 56 |
| The report of the Deputy Chief Executive and City Treasurer and the Head of Internal Audit and Risk Management is enclosed. | |

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **Monday, 18 January 2021** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

**Manchester City Council
Report for Information**

Report to: Audit Committee - 19 January 2021

Subject: Internal Audit Assurance Report 2020/21

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

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 Opinion and an Annual Assurance Report.

This report provides an update of progress on the agreed audit plan 2020/21; additional work assigned to the audit service and copies of the audit opinions issued in the period August to December 2020.

Recommendations

Audit Committee is requested to consider and comment on the Internal Audit Assurance Progress Report.

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 four years after the date of the meeting and can be accessed on the Council website:

- Internal Audit Plan 2020/21 (Audit Committee meeting July 2020)
- Internal Audit Assurance Report (Audit Committee September 2020)

- Outstanding Audit Recommendations Report (15 September 2020)
Internal Audit Assurance Report April to December 2020

1 Introduction

- 1.1 This report provides a summary of the work of the Internal Audit Section since April 2020 and specifically the report includes copies of executive summaries and assurance opinions from completed audits finalised between August 2020 and December 2020.
- 1.2 Appended to this report are:
- Appendix One: Delivery status of the annual audit plan 2020/21
 - Appendix Two: Executive summaries August to December 2020
 - Appendix Three: Basis of Audit Assessments (Opinion/Priority/Impact)

2. Audit Programme Delivery

- 2.1 The following is a summary of progress against the 2020/21 audit plan.

Audit Status	2020/21 Audit Plan Status At December 2020
Final Report	8
Draft Report	0
Fieldwork Completed	7
Fieldwork Started	4
Planning	11
Not started	18
Totals	48
Cancelled / Deferred / Re-scoped	0

- 2.2 Outputs include audits and briefing notes, as well as advice, guidance and support to management where captured in formal reports. It includes counter fraud investigations where there is a formal was report issued but does not include all casework outcomes.
- 2.3 The annual audit plan initially assumed 48 individual or block outputs in the year as agreed at Audit Committee 28 July 2020. The total number of individual audits and assurance activities varies as blocks of time assigned to areas of risk are scoped and drawn down as required and resources and priorities are assessed in year. Work is now underway to consider scope and timing of priority audit work based on the resources for quarter four and the additional work identified.
- 2.4 In the year to date there have been five main areas of focus in line with the agreed audit plan and Covid response and support activities. Specifically work

has included:

- audit advice and guidance to support managers in the response to risks emerging from Covid19 including changes in systems of internal control.
- administration of urgent business rates relief, grants and discretionary support, where auditors have supported design of the schemes; checked and validated applications and payment runs; and investigated issues of potential fraud and error;
- development and delivery of arrangements for the Manchester and Trafford PPE Hub to support the receipt and distribution of equipment;
- completion of audit work from the 2019/20 audit plan; and
- progress toward completion of audits from the agreed 2020/21 audit plan.

- 2.5 The plan assumptions have been impacted by the further spikes in covid19 infections and the additional local and national lockdowns established in response to the pandemic. This longer, deeper impact of the pandemic has impacted the scale and complexity of ongoing business grants and other covid19 support work required of the service as well as the ability of clients to provide the capacity necessary for the scoping, planning and delivery of audit work. This has impacted the ability to deliver planned audit work but has helped the Council in its response to critical and urgent risks.
- 2.6 The emergence of further covid19 grant schemes to provide ongoing support to local businesses in quarter three has required audit guidance and direct support, building on the systems the team put in place to support timely and accurate processes for payment. This work and in particular the follow up of potential fraudulent requests for payment is expected to continue beyond March 2021.
- 2.7 Additional work emerged with the agreement of a national scheme of winter support for children and vulnerable families. In Manchester this included the provision of supermarket vouchers and support to c30,000 children for the Christmas half term. Audit supported the Director of Education and were heavily involved in developing the systems and processes for this scheme and in managing arrangements for the collection and distribution of vouchers to schools. This utilised the team's knowledge of cash controls and of arrangements for management of systems in schools. It was completed successfully in December and a second tranche of support is planned to be delivered by the end of February 2021.
- 2.8 The team has also been asked to provide assurance and involvement in the design of a further covid relief scheme for vulnerable children which will support with payments to help families with funding towards winter fuel payments and other essential spending. This is being led by the Deputy Director of Children's Services and is expected to result in urgent payments being approved via professionals working with children across schools, early years and other settings.
- 2.9 The sections below describe the progress against the agreed annual audit plan 2020/21 and provide a view on the deliverables which can be achieved to year

end.

3 Resourcing and Plan

- 3.1 Alternative staffing have been appointed to support the PPE Hub enabling audit input to be reduced to 0.5 FTE although this level of ongoing input is expected to continue to year end to provide continuity in a number of aspects of the operational management and support for this essential service.
- 3.2 The service has been impacted by one long term sickness absence over the last six months and although this officer is on a phased return to work this has impacted on capacity as is the necessity to be flexible in supporting officers who are currently supporting children with learning from home.
- 3.3 A direct reach out to finance in quarter three was unsuccessful as no staff were able to be made available at that time to support audit resources. A reach out across all of Corporate Services has since been issued with the aim to secure up to three additional staff to support audit work in the remainder of the year and into 2021/22 pending recruitment to permanent posts following completion of a service and savings review.
- 3.4 Even with additional audit resources it will remain a challenge to complete all planned audit work by year end as a consequence of client availability given the continued focus on covid response and recovery which is acute across all areas of the Council and particularly within front line services in adults, health and care; children's services; and schools. Where possible such audits are being delivered remotely but this does increase the time taken to complete and is dependent on the capacity of colleagues in these services to support the planning and delivery of audit work. A review session with Adults is planned for 12 January focused on the Improvement Plan and sources of assurance that could be utilised to inform audit work and assurance reporting to key stakeholders including Audit Committee.
- 3.5 In addition to plans to increase internal resources, Internal Audit have secured support from the Salford City Council ICT audit team to deliver planned audit work and assist in the development of an ICT assurance map; and are in the process of agreeing additional external resources to deliver an additional review of capital programme project and cost management arrangements.

4 Children's Services

- 4.1 Children's Commissioning. There are two audits underway in this area. One is a short piece to examine progress in the work underway to strengthen Commissioning in Children's Services including the framework; roles and means for review and monitoring. The second being run concurrently is a system audit of the Children's Placement Finding process for looked after children examining the policy and procedures, discharge of roles, and effectiveness of reporting to support review and decision making. This audit will examine the process from request to find a suitable placement for a child

to the point of contract and fee agreement reflected on Controc. These audits will be reported at the end of January 2021.

5 Education and Schools

- 5.1 **Schools' Financial Health Checks** There are four schools currently being audited: Chapel Street Primary School; St Matthew's High School; St Bernard's Primary School and Newall Green Primary School. Fieldwork has been completed remotely and it is planned that outcomes will be reported in January following some delays because of staff sickness absence.
- 5.2 Two schools are in the process of having follow up audits carried out based on limited opinions issued during the year and a third is planned. Work is complete at Benchill Primary School where most actions are considered to have been completed to address risk and seek to embed improved controls and the current position will be reported by the end of January. Information about progress being undertaken at Lily Lane Primary school has been provided to Internal Audit and will be followed up this month to confirm that key risks are being addressed.

6 Health and Care (Adult Services)

- 6.1 Planning for work across Adults services has been delayed due to the requirements of officers and managers to support the ongoing covid19 response. A planning session on the improvement plan on 12 January and session with Directorate Leadership Team on 15 January are scheduled to commence the detailed planning on areas of work that can be prioritised for audit review by year end and into early 2021/22.

7 Corporate Core and Information Governance

- 7.1 Internal Audit has diverted to support key business areas of focus during the COVID-19 pandemic. Most notably for the Core, this has comprised a substantial input into the central government business grants schemes. A pre and post payment checking regime has been in operation to provide assurance to managers that proposed awards are in compliance with scheme criteria and to prevent duplication of claims. We estimate that approximately £650k of proposed payments requested under the Small Business, Retail, Hospitality and Leisure, and Discretionary Grant Schemes were not made as a result of audit checks for fraud or potential error.
- 7.2 Initial schemes have now closed but Internal Audit will continue to work on this throughout the year, with targeted work planned to reconfirm validity of awards post payment in line with Central Government funding requirements. The audit counter fraud team are also investigating a significant number of allegations and indications of potential fraud or irregularity in this area.
- 7.3 We are now focused on pre-payment checks in relation to the Local Restrictions Support Grant and the Additional Restrictions Grant. These grants continue to be payable to businesses periodically while the City

remains in Tier 2 or above. Further work is now anticipated in light of the announcement of national lockdown and the related new financial support schemes announced.

- 7.4 **Grant Certifications.** Internal Audit has progressed with two grant certification, completed in line with deadlines stipulated by the European funding bodies.
- 7.5 **Cyber Security – Follow Up.** A follow up review confirmed that while one action remains outstanding seven others have been fully implemented addressing the risks noted in the original report.
- 7.6 **Public Service Network (PSN) –** Internal Audit formed part of the PSN Compliance Project, led by ICT as a proactive precursor to the annual IT Health Check; to ensure the Council retained its right to be connected to / consume government information. The Council must possess this connection compliance certificate before in can connect to the PSN – also known as the Code of Connection (CoCo). PSN requested that this health check be reperformed to include connectivity through our new Data Centres.
- 7.7 The project ran from June to November 2020 and achievement of the project objectives, overseen and verified by audit, provide significant assurance as to the effective control of network vulnerabilities.
- 7.8 The project was successful in delivering against its brief and closed 92% of all vulnerabilities, including a significant reduction in critical and high priority vulnerabilities that will contribute to the retention of the current PSN Certification and the creation of a more secure ICT infrastructure environment. A remediation action plan (RAP) is being taken forward by the Cyber Security team to address the remaining known vulnerabilities (8%).
- 7.9 At the time of writing this committee paper the final official submission for the PSN CoCo was in progress and will require sign off by the Council's Senior Information Risk Officer, prior to submission.
- 7.10 **LiquidLogic and Controcc – IT Health Check -** Internal Audit were asked by the Deputy Director Adult Social Services and Project Lead to provide input and oversight into an IT Health check review commissioned by Adults Services and ICT. This review health check focused specifically on the payment to provider workflow and was commissioned to identify areas of improvement in terms of process and workflow, as well as increasing the internal skills, knowledge, and capability in relation to the development and production management reports. Audit's role was to input to the scoping and assess the outcomes of the review and how these were to be taken forward.
- 7.11 The health check concluded in October with the providers producing an outcome report and several management reports which identified where accumulations of work were occurring in the workflow, why and how these impacted on the ability to pay providers. These reports also highlighted progress over recent months and the ongoing improvement as well as making

several recommendations to improve process and workflow further, including improvements in configuration, data quality, contract management and commissioning and payment method management.

- 7.12 The outcomes of the Health Check have been reviewed, with the critical recommendations forming part of an overall Stabilisation Plan, led by the Deputy Director Adult Social Care to improve the use of technology and how our people and processes interact with this. Internal Audit will continue to engage with the project to assess progress in relation to implementation of these recommendations and their impact on improving the payment process. A briefing note will be written for senior management summarising these points and an update provided to the next Committee meeting.

8 Neighbourhoods; Growth and Strategic Development

- 8.1 **Civic Quarter Heat Network.** An assessment of the current and proposed arrangements for the development and operation of the CQHN was carried out. Internal Audit held a risk facilitation session with board members, reviewed key documents and discussed progress with key stakeholders. At the time of the review work continued to novate the Design Build Operation and Maintenance contract from the Council and Project Board members acknowledged that lessons had been learned and steps taken to strengthen overall governance of the project to ensure that key documents, agreements, and principles could be agreed.
- 8.2 Overall, we provided reasonable assurance over the governance structure in relation to the CQHN companies and project controls supporting delivery. We shared the Board's opinion that many improvements had been made to assist project oversight and control in the last 12 months addressing some omissions from the construction phase and that there are remaining actions that need to be completed that are essential to the mitigation of risks. We are assured through engagement with the Commercial Governance PMO Lead and members of the Project Team that these actions, including appointment of specialists advisors and strengthening of the Board are underway and will follow up to establish the latest position at year end.
- 8.3 **Disabled Facilities Grant.** The DfG was certified in line with requirements and there were no significant matters reported

9 Procurement, Contracts and Commissioning (PCC)

- 9.1 **Use of Waivers and Extensions.** We provided a reasonable level of assurance over the design and application of controls to ensure the appropriate use of waiver exemptions. There was evidence that active decision making continued despite the impact of Covid19 and a new paperless approach was adopted quickly and did not compromise the evidence trail to support decisions. The electronic process not only reduced the need for paper records but also helped to ensure delays in processing requests and resolving queries were reduced. There was evidence of scrutiny and challenge by the Deputy City Treasurer ahead of authorising and signing

off waiver requests and in some cases led to improvements being made to the level of detail provided in the procurement template forms.

- 9.2 Audit sample testing highlighted a number of compliance issues. Whilst the newly adopted, digitised process was still in its infancy the core details required in waiver forms and the level of approval required had not changed. We recommended further work to strengthen the evidence provided to support requests and to maximise compliance and reduce the number of queries raised at the approval stage. Some analysis had been undertaken by the Integrated Commissioning and Procurement team and reported to the Commercial Board which is a positive step and demonstrates transparency. We consider that now that a baseline has been captured momentum should not be lost and more frequent further analysis should be undertaken. This will allow for analysis at a macro level and will help to provide assurance over whether the use of waivers is reducing on a directorate basis and allow for the identification of any patterns or themes.
- 9.3 **Agency Supply Framework – Contract Management Arrangements.** The current contract management arrangements over the agency supply framework were reviewed following a number of issues concerning the timeliness, accuracy and approval of timesheets and subsequent delays to the billing of time worked. Internal Audit concluded that there was a need for more effective contract management and oversight given the recent decision to extend the use of the Framework beyond January 2021. Management recognised the range of issues and the review made a number of suggestions to address strengthening the Framework' in terms of controls and assurances. This included reconfirmation of the responsibilities and expectations in the day to day operation of the Framework ahead of the extension period commencing; how the payment process could be supported by timely, meaningful reconciliations; and a need for greater tracking of any contract related risks and issues along with their escalation where needed. Given the reputational, legal and financial risks associated with the previous issues encountered the Council requires regular ongoing assurance that the Framework is fit for purpose and that it meets and continues to meet the outcomes of the Framework. The financial value of this Framework is significant and the resource assigned to monitoring this effectively should be proportionate.
- 9.4 **Supplier relief and supplier resilience.** Work is in progress to assess the effectiveness of the process for recording supplier relief arrangements, where advance or additional payments were made to suppliers in line with amended procurement regulations. The work includes a review of guidance, records supporting the levels of relief granted, transition plans and management information. Concurrently we will review supplier resilience assurance to assess the arrangements in place to ensure that effective assessment of suppliers' financial resilience is carried out during the life of a sample of contracts.

10 **Counter-Fraud and Investigations**

Proactive. Business Grant Payment Schemes

- 10.1 During 2020/21 officers have been supporting colleagues within Revenues and Benefits and Finance in the processing of business grants; specifically small business grant, retail, hospitality and leisure discretionary grant and more recently grant payments associated with Tier 2 and above. This work has included establishing and rolling out pre-payment checks aimed at reducing both duplicate payments and payments made to companies that are no longer solvent or have been dissolved. To date this work has prevented at least £650k of payments from being made in error or as a result of fraudulent applications. These pre-payment checks are continuing on the new grant payments introduced in November and those announced in January 2021.
- 10.2 Currently Internal Audit have received 90 referrals of fraud or irregularity in relation to the business grants scheme. Investigation work on these is currently ongoing and where appropriate Internal Audit are liaising with the police and other external stakeholders, particularly where these cases appear to be linked or have links to organised crime.
- 10.3 Work is currently being finalised to develop and confirm the post payment checks to be conducted and it is proposed that work will commence on these shortly in line with Central Government requirements.

Proactive. National Fraud Initiative

- 10.4 Internal Audit have continued to liaise with officers across the Council to co-ordinate the current NFI exercise 2020/21. Where required data uploads in relation to the 2020 programme have taken place during the quarter to December. Further uploads are planned for the period to March 2020 in-line with the NFI timetable.

Reactive

Council Tax Reduction Scheme, Housing Tenancy, Right to Buy and NNDR

- 10.5 A total of 60 referrals of fraud or irregularity in relation to Council Tax Reduction Scheme have been received in the year to date. There have been 31 referrals received in relation to Housing Tenancy and Right to Buy. These figures are broadly in line with previous years. Due to the additional work being undertaken to assist with business grants and the resulting pressure on resources, corporate and business grant referrals are being prioritised over Council Tax and Housing Tenancy cases at present. This position will continue to be reassessed during the year as part of resource planning to risk.

Corporate Cases

- 10.6 Internal Audit have received 35 referrals of potential fraud or irregularity during the year to date. Of these six were considered whistleblowing allegations made either anonymously or from a named source and have been handled under the Councils Whistleblowing Policy and Procedure. The nature of this

work has remained consistent and include concerns raised in a number of key risk areas including staff conduct, contractor conduct and performance, ethics and behaviours, employee compliance with procedures and theft from schools.

11 Recommendation Implementation

- 11.1 Internal Audit continued to monitor implementation of recommendations and following significant focus on Covid19 activity services have now started to reengage with Internal Audit to enable pragmatic review of outstanding recommendations and required actions in light of current risks and changes in operational priorities and processes.
- 11.2 A review of progress to implementation of recommendations in Adults Services was reported to Audit Committee in November 2020 and a number of recommendations were reassessed as implemented; superseded or to be included in the Impower service review. A review of remaining recommendations will be undertaken as part of that process.
- 11.3 The number of critical, major or significant priority recommendations fully implemented was 71% and represents positive progress from the last period. Evidence of implementation and work to enable actions to mitigate risks had been provided on a number of long standing recommendations and additional work to carry out planned follow audits in quarter four will enable further actions to be assessed. A further 12% of recommendations were partially implemented at the time of our assessment.
- 11.4 Overdue recommendations are reported in more detail to Strategic Directors and Executive Members as required and in a separate report to Audit Committee quarterly providing details of the status of high risk and overdue priority recommendations and the actions being taken to address risk.

Critical, Major or Significant Priority Recommendations by Directorate

Directorate	Number Due	Implemented	Partially Implemented	Referred Back to the Business	Outstanding
Corporate Core	38	29	3	3	3
Children's Services	25	20	0	0	5
Adults, Health and Care	29	12	10	0	7
Neighbourhoods, Growth & Strategic Development	20	18	0	0	2

Total	112	79	13	3	17
		71%	12%	2%	15%

11. Recommendation

- 11.1 Audit Committee is requested to consider and comment on the Internal Audit Assurance Progress Report to 31 December 2020.

Appendix One: Audit Status, Opinions and Business Impact 2020/21

Audit Area	Audit Status	Assurance Opinion	Council Business Impact
Children's and Education Services 2020/21			
Newall Green Primary School	Fieldwork Complete	Set at Draft	Low
St Bernard's Primary School	Fieldwork Complete		Low
Chapel Street Primary	Fieldwork Complete		Low
Benchill Primary School Follow Up	Fieldwork Completed		Low
St Matthews High School	Fieldwork Started		Low
Lily Lane Primary School Follow up	Fieldwork Started		Low
St Margaret's Primary School - Follow Up	Not Started		Low
Children's Services Management and Oversight and Supervisions			High
Children's Quality Assurance Framework (QAF)			High
Education Services Assurance - block			High
Planning for Permanence – Follow Up			High
Health and Care (Adult Services) 2020/21			
Health and Social Care: Assurance Framework Review	Scope under review in light of Impower Service Review		High
Adults Services Quality Assurance Framework (QAF)			High
Strength Based Approach			High
Adults Supervisions and Management oversight			High

Audit Area	Audit Status	Assurance Opinion	Council Business Impact
Integrated Neighbourhood Teams (MLCO)	Not Started		High
Health and Care Commissioning including MHCC			High
Health and Social Care: Governance (MHCC)			High
Mental Health Casework Compliance			High
Hospital Discharges			High
Corporate Core and Information Governance 2020/21			
Grant Certification: ABCitiEs 21 July 2020	Delivered	Certified <div><div></div></div>	Low
Grant Certification: Zero Climate Change (ZCC) 30 June 2020	Delivered	Certified <div><div></div></div>	Low
ICT: Cyber Security: Follow up 18 August 2020	Delivered	Implemented <div><div></div></div>	High
PSN: April 2020 CoCo Return 30 April 20	Delivered	Briefing Note – Positive Assurance <div><div></div></div>	
Early Years and Education System implementation (EYES)	Fieldwork started	Advice and Guidance	
GDPR: Data Protection Impact Assessments Follow Up	Fieldwork Completed	Set at Draft	
ICT Health Check LiquidLogic and Controc	Fieldwork Started	Briefing Note	
ICT Assurance Mapping	Planning	Briefing Note	
Core Financial Systems –Block	Planning	Set at Draft	High
Budget review and Medium Term Financial Strategy			
Officer Decision Making			
Climate Change Response			
Recovery work streams / projects – Contingency Support Block	Not Started		High

Audit Area	Audit Status	Assurance Opinion	Council Business Impact
Annual Governance Statement / Register of Significant Partnerships			Medium
Our Town Hall			High
Loans and Grants: Due Diligence			High
Grant Certification - Block	Being drawn down		High
Core Financial Systems – Block			High
ICT Audit – Block			High
Neighbourhoods; Growth and Development 2020/21			
Civic Quarter Heat Network (CQHN) 19 November 2020	Delivered	Advice and Guidance	
Disabled Facilities Grant: Certification 21 October 2020	Delivered	Grant Certification Certified ●	
Highways Maintenance Grant	Fieldwork started	Grant Certification Certified ●	
Northern Gateway	Planning	Set at Draft	
Northward Housing (ALMO)	Planning	Set at Draft	
Governance and Management of Major Projects	Not Started		High
Highways Programme and Project Assurance			High
GMCA - Growth Deal			Low
Procurement, Contracts and Commissioning 2020/21			
Use of Contract Extensions and Waivers 26 October 2020	Delivered	Reasonable	High
Agency Supply Framework 23 November 2020	Delivered	Briefing Note	
Children’s Commissioning – Strategy	Fieldwork Complete	Briefing Note	
Children’s Placements – Commissioning and Contracts	Fieldwork Complete	Set at Draft	High

Audit Area	Audit Status	Assurance Opinion	Council Business Impact
Supplier Relief Arrangements	Planning	Set at Draft	High
Supplier Resilience Assurance	Planning	Set at Draft	High
Factory Project	Not Started		High

Appendix Two: Audit Report Executive Summaries (Opinion Audits)

The following Executive Summary has been issued for the one audit opinion review finalised since February 2020 and is attached below for information.

Reference in Appendix	Audit Area
ES 1	Use of Waivers and Extensions

Internal Audit Report 2020/21**Corporate Services – Integrated Commissioning and Procurement****Use of Waivers and Extensions**

Distribution - This report is confidential for the following recipients	
Name	Title
Peter Schofield	Head of Integrated Commissioning and Procurement, Responsible Officer
Janice Gotts	Deputy City Treasurer, Accountable Officer
Mark Leaver	Strategic Lead, Integrated Commissioning
Paul Murphy	Group Manager
Kath Smythe	Our Transformation Strategic Lead
Yvonne Campbell	Programme Manager, Business & Corporate Services
Councillor Leese	Executive Member
Joanne Roney	Chief Executive
Carol Culley	Deputy Chief Executive and City Treasurer
Fiona Ledden	City Solicitor
Simon Livesey	External Audit (Mazars)

Report Authors		
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Draft Report Issued	8 October 2020
Final Report Issued	26 October 2020

Executive Summary

Audit Objective	Assurance Opinion	Business Impact
To provide assurance over current waiver arrangements and controls ensuring appropriate use of waiver exemptions.	Reasonable	High
Sub objectives that contribute to overall opinion		Assurance
Roles, responsibilities and expectations are clearly defined and understood.	Reasonable	
Systems and processes ensure compliance with waiver requirements.	Substantial	
Arrangements are in place for monitoring and analysing waiver activity across the Council.	Reasonable	

Key Actions	Risk	Priority	Planned Action Date
Not applicable	Critical	3 months	None
Not applicable	Significant	6 months	None

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.1. Work has recently been undertaken to refine and improve the Council's waiver process which has included the introduction of a paperless approval process. Following these changes and given the impact Covid19 has had on the Council's priorities and operations Internal Audit agreed to provide some independent assurance over the use of waivers and contract extensions. Given the inherent financial, legal and reputational risks associated with waivers and contract extensions we classified this area as having a high business impact.

2. Conclusion and Opinion

- 2.1. We are able to provide a reasonable level of assurance over the design and application of controls to ensure the appropriate use of waiver exemptions.
- 2.2. Historically there were significant concerns over the volume and value of waivers and as a result this area has been subject to a proactive strategy to refine the process and reduce the need for the use of waivers. Internal Audit can see a positive direction of travel in addressing risks in the system and acknowledge the work undertaken to strengthen governance and decision making through the application of greater scrutiny and challenge by senior managers before approving waiver and contract extension requests.
- 2.3. The drive by the Integrated Commissioning and Procurement team to improve the skills and knowledge of contract and commissioning officers along with supporting directorates to develop commissioning pipelines should also help to reduce the volume of waivers further as the actions embed. The need for contract savings has brought a greater focus from directorates on their contract portfolios and this should have a positive impact on reducing the number of waiver exemptions as a result of improved planning.
- 2.4. One of the key changes to the process was for waiver approvals to be undertaken electronically and this development was accelerated by the impact of Covid19 as officers were no longer present in offices. We consider that the revised process is fit for purpose and enables these procurement decisions to progress more efficiently whilst still maintaining an adequate and appropriate audit trail for key decisions. Key waiver/procurement forms and reports are stored in a Google folder with restricted access and contained pdf copies of emails to confirm approval and are retrievable.
- 2.5. Whilst our sample testing highlighted the need for some improvements to enhance the current process we recognise and support the ongoing work being driven by the Transformation Team (Strengthening Accountability Workstream). The Workstream is reviewing how the Council can improve how it buys goods and services with the aim of simplifying and streamlining ways of working for systems and processes and this includes the use of waivers.

3. Summary of Findings

Key Areas of Strength and Positive Compliance

- 3.1 All waiver requests in our sample were compliant with at least one of the waiver exemption categories cited in the Constitution demonstrated in the records examined. The correct approval was obtained in advance of the waiver and procurement in 23 of 25 cases. In two cases the appropriate level of approval had not been given as the higher approval threshold had not been recognised at the time. When this matter had been identified within the business subsequent retrospective approval was sought and obtained. There was evidence of scrutiny and challenge by the Deputy City Treasurer ahead of

authorising and signing off waiver requests and in some cases led to improvements being made to the level of detail provided in the procurement template forms.

- 3.2 There was evidence that active decision making continued despite the impact of Covid19 and the new paperless approach was adopted quickly and did not compromise on the evidence trail to support decisions. The electronic process not only reduced the need for paper records but also helped to ensure delays in processing requests and resolving queries were reduced.
- 3.3 The design of the waiver template form prompts the need for Executive Member consultation to confirm their awareness and acceptance of the waiver proposed. However, there were examples when this had not happened before the request had reached the Deputy City Treasurer.
- 3.4 The waiver decision log maintained by the Deputy Chief Executive and Deputy City Treasurer's Business Support team provided access to a complete view of waiver activity and was regularly kept updated with details of the current stage of each waiver being processed.
- 3.5 The Strengthening Accountability workstream was underway with the aim of implementing some quick wins in process change by November 2020. This work aimed to clarify roles, responsibilities, expectations, steps and sequencing for procurement processes including waivers. We support the intention that this will be done through more joined up information and advice and guidance for officers, by integrating and simplifying the information currently held separately within Finance, Procurement and Shared Service Centre.
- 3.6 A recent analysis of the waiver position was conducted by the Integrated Commissioning and Procurement (ICP) team and presented to the Commercial Board in August 2020. This covered a 12 month period and whilst this included useful detail on the number and nature of waivers by directorate it was not possible to make any direct comparisons. The value of waivers at directorate level formed part of the dashboard presented to DMTs giving greater visibility over the volume of waivers which is important and should help in driving improvements to commissioning pipelines as information is shared.

4. Key Areas for Development

- 4.1 Audit sample testing of 25 entries on the waiver log between 1 April 2020 and 31 August 2020 confirmed a number of compliance issues. Whilst the new digitised process was still in its infancy the core details required in waiver forms and the level of approval required had not changed. We consider further work is needed to strengthen the evidence provided to support requests and to increase consistency. This will ensure that all relevant information is available to support decisions and should minimise follow up on gaps and queries. A table is included at Appendix 1 to provide further details on the nature of issues identified which included missing fields in the form, incorrect information, Executive Member consultation date after the waiver

request date, insufficient details around social value, Manchester Living Wage and which budget the spend would be coming out of which led to the need for subsequent clarification from the Deputy City Treasurer.

- 4.2 Thought should be given as to how to maximise compliance and reduce the number of queries raised at the approval stage. Whilst we consider the refresh of guidance as part of the transformation project should help to inform managers and may help minimise issues arising. The following could also be considered:
- Improved access to guidance on the waiver process as it is not always easy to find. There is an opportunity with the launch of the new intranet for a refresh of the procurement information available to managers.
 - Another consideration could be for the procurement forms to be passed back to the Directorates where gaps or issues were identified ahead of these being sent for approval to the Deputy City Treasurer. We appreciate a resource would be required for this and options for this to be done on a triage basis may be worth exploring for instance first time procurer, value, reputational impact, gold and silver contracts, those at greater risk of legal challenge.
- 4.3 The waiver log included some procurements which were not considered to be waivers which means the volume of actual waivers may be overstated. This was the case for eight out of our sample of 25, five of which were open tender procurements and three were further competition under a pre-existing framework. It was not clear why these were added to the waiver log as waiver request forms were not used for these. Action is therefore required to redefine requirements and cleanse the data to ensure only waivers are included on this log and to capture other procurement decisions elsewhere.
- 4.4 As stated previously some analysis had recently been done by the ICP team and reported to the Commercial Board which is a positive step and demonstrates transparency. We consider that now that a baseline has been captured momentum should not be lost and more frequent further analysis should be undertaken. This will allow for analysis at a macro level and will help to provide assurance over whether the position is improving on a directorate basis and allow for the identification of any patterns or themes.

Manchester City Council Report for Information

Report to: Audit Committee - 19 January 2021

Subject: Outstanding Audit Recommendations

Report of: Deputy Chief Executive and City Treasurer / Head of Audit and Risk Management

Summary

In accordance with Public Sector Internal Audit Standards, the Head of Audit and Risk Management must “establish and maintain a system to monitor the disposition of results communicated to management; and a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action”. For Manchester City Council this system includes reporting to directors and their management teams, Strategic Management Team, Executive Members and Audit Committee. This report summarises the current implementation position and arrangements for monitoring and reporting internal and external audit recommendations.

Recommendations

Audit Committee is requested to note the current process and position in respect of high priority Internal Audit recommendations.

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 four years after the date of the meeting. If you would like a copy, please contact one of the contact officers above

- Outstanding Audit Recommendations Report to Audit Committee 15 September 2020.
- Adults Audit and Assurance Report 26 November 2020.

1 Introduction

- 1.1 Audit Committee are provided with regular reports on actions taken to address outstanding high priority recommendations made by both Internal and External Audit. As a result of Covid19 there was a pause on the formal review and reporting of recommendation implementation as services focused on crisis response and recovery actions. Internal Audit sought to keep informed about progress on outstanding recommendations however there are some gaps in the updates received.
- 1.2 There have been understandable delays in progressing some of the agreed actions as officers across the Council have been refocused on unplanned essential activities that were and are still required to respond to the pandemic. As a result, Internal Audit have engaged with services to understand the impact on timescales agreed pre Covid19 and what the realistic, achievable revised dates for completion of actions is now likely to be. This work will continue and proposed changes will be shared with Audit Committee.
- 1.3 There are four categories of recommendation priority: critical, significant, moderate and minor. This report provides the details of progress to address outstanding recommendations in the high risk (critical and significant) categories and an update on proposed next steps. This report focuses solely on Internal Audit recommendations, as there are currently no high priority External Audit recommendations currently outstanding.

2 Standard Process

- 2.1 Internal Audit usually follows up management actions on high risk recommendations at least quarterly to obtain assurance that progress is being made to address risk. Management are required to provide demonstrable evidence to support implementation. Internal Audit considers this evidence and may choose to re-test systems and controls on a risk basis to provide assurance that agreed improvement actions have been implemented and are operating effectively.
- 2.2 Progress made in the implementation of agreed actions from audit reports is reported quarterly to Directorate Leadership Teams (DLTs), Strategic Management Team (SMT), and Audit Committee. Executive Members are notified of high priority recommendations reaching six months overdue. At nine months overdue, Strategic Directors are required to attend Audit Committee with the relevant Executive Member to explain the position and progress to either address or accept the reported risks.
- 2.3 If recommendations are not implemented within 12 months of the due date and subject to any additional requirements or actions agreed by Audit Committee, Internal Audit refer the risks back to Strategic Directors to consider as part of their own assurance risk assessment.

- 2.4 Strategic Directors gain wider assurance over the implementation of recommendations as part of DLT reports, Internal Audit reporting and annual governance statement questionnaires, which are completed by all Heads of Service.

3 Current Implementation Position

- 3.1 The position in terms of high priority internal audit recommendations is summarised below and in detail at **Appendix 1**.
- 3.2 Since the last formal update in September 2020 Internal Audit has confirmed that services have been able to complete actions to address 20 high priority recommendations in thirteen audits as follows:
- Core: Social Value (1)
 - Core: Capital Frameworks – Call off Selection and Award (1)
 - Core: Prevention and Detection of Procurement Fraud (2)
 - Core: GDPR Post Implementation Review (1)
 - Core: GDPR Data Protection Impact Assessments (1)
 - Adults: Disability Supported Accommodation Services: Quality Assurance Framework (2)
 - GMRAPS (1)
 - Neighbourhood Investment Fund (2)
 - Children's: Early Help and Troubled Families (2)
 - Children's: Penalty Notices for Unauthorised Absences (1)
 - Children's: Management Oversight and Supervision (1)
 - Children's: Assisted and Support Year in Employment (2)
 - ICT Software Licensing (3 referred to business)The total above includes ICT
- 3.3 Software Licensing where three recommendations were discussed at Audit Committee in September 2020 and have been referred back to the business as partially implemented. The original proposal to procure a bespoke Software Asset Management tool software solution, which was an outstanding action, will not be progressed due to the need to prioritise funding and resources in other higher risk areas. The Director of ICT confirmed that he considers that the risks are within tolerance for the service and Internal Audit is supportive of the actions taken to date and this acceptance of remaining risk. Audit Committee noted this decision in September 2020.
- Outstanding Recommendation**
- 3.4 There are currently 25 recommendations, from audit reports that are overdue past the agreed implementation dates. This is a decrease from 40 outstanding recommendations reported to Audit Committee in September 2020.
- 14 over nine months overdue.
 - 10 between six to nine months overdue.
 - 1 between one and six months overdue.

- 3.5 The overdue recommendations comprise actions that remain fully outstanding (19) or have been partially implemented (6). Actions have continued to progress in some areas but some have been delayed due to Covid19 response and recovery requirements and the reassessment of priorities and action required to mitigate risks. We are working with management to assess and consider these recommendations and appropriate, deliverable actions.

Overdue More than Nine Months (Appendix 2)

- 3.6 There are 14 recommendations which have been outstanding over nine months, of which 11 are deemed as partially implemented based on actions taken to date. Internal Audit will continue to monitor progress and discuss with Directors the likely timescales for implementation given delays due to Covid19. The current outstanding recommendations are:
- Adults: Transitions (3 of which 2 are partially implemented).
 - Core: Purchase Cards (1 partially implemented)
 - Adults: Management Oversight and Supervision (2 partially implemented)
 - Adults: Mental Health Casework Compliance (6 of which 4 partially implemented)
 - Core: Contract Spend Review (1 partially implemented)
 - Adults: Floating Support (1 partially implemented)
 - Children's: Procurement in Schools (1)
- 3.7 The Executive Director for Adult Services attended Audit Committee 26 November 2020 to report on the current position in the Service as there were a number of overdue recommendations. She reported on progress and the impact of the Council's Covid19 response activities and current priorities in relation to outstanding recommendations. Confirmation was reached that further work will see implementation of some of the recommendations by March 2021 and some others may be superseded by a refreshed improvement programme. We have met with colleagues involved in the new programme ("Better Outcomes Better Lives") and will work with Adults DLT to ensure that assurances from this and from the six workstreams established to drive improvement are linked into audit work and assurance reporting where appropriate.
- 3.8 We will follow up specifically on mental health casework and floating support by the end of February 2021 to independently confirm whether actions reported to Committee in November have addressed risks to an acceptable level.
- 3.9 In the Core an outstanding recommendation from the purchase card audit for the provision of guidance on hospitality has been delayed from its revised of November 2020. A policy is scheduled now to be confirmed at Personnel Committee in January 2021 which will allow implementation shortly after.

Overdue for 6 – 9 months (Appendix 3)

3.10 Ten recommendations have been overdue for between six and nine months, in four audit reports. Internal Audit is monitoring progress on these and reviewing the potential of other mitigation actions. If these recommendations are not implemented or superceded with relevant alternative actions an update will be provided to Audit Committee by the relevant Strategic Director and Executive Member.

- Core: GDPR – Data Protection Impact Assessments (2, partially implemented)
- Adults: Service Improvement Plan Governance (3)
- Children's: Planning for Permanence (3)
- Section 106 (2)

A follow up audit is planned as agreed to assess progress on Planning for Permanence as part of the 2020/21 audit programme in quarter four.

Overdue less than 6 months (Appendix 4)

3.11 There is one recommendation which has been overdue for between one and six months as reported in appendix four and relates to the audit of Decommissioning Contracts: Leaving Care Service (1 recommendation which is partially implemented)

4 Recommendations

4.1 Audit Committee is requested to note the current process and position in respect of high priority Internal Audit recommendations which remain outstanding past their due dates.

Appendix 1 – Implemented Recommendations

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Social Value 21 February 2019	31 December 2019	<p>The Contract and Commissioning Leads within each directorate should work with contract managers to ensure that suitable social value KPI's are in place where possible and are being actively managed as part of contract monitoring arrangements. They should also ensure that escalation processes exist in instances where they are not being achieved.</p> <p>The Head of Integrated Commissioning and the Head of Corporate Procurement should enable access to template documents for monitoring social value. Longer term thought should be given as to how benchmarking could be undertaken to enable the value obtained through social value to be determined.</p>	<p>a) Directorate Leads run training for contract managers to ensure that suitable social value KPI's are in place and are being actively managed as part of contract monitoring arrangements.</p> <p>b) Directorate leads should also ensure that escalation processes exist in instances where KPIs are not being achieved.</p> <p>c) DMTs assure (a) and (b) through standard quarterly contract overview</p> <p>d) Integrated Commissioning enable access to template documents for monitoring social value.</p> <p>e) Integrated Commissioning consider options for benchmarking the value obtained through social value</p>	<p>We confirmed that the Integrated Commissioning and Procurement Team have contacted contract leads about further benchmarking opportunities. There was a recognition that there are some challenge associated with benchmarking but systems like the Social Value Portal already used by Highways and with the NWCH currently setting expected social value requirements based on project value and use of TOMs will provide opportunities for benchmarking.</p> <p>Work is progressing with ICT to finalise a specification for a contract management system that will include fields for social value commitments and should make future benchmarking more feasible.</p> <p>Internal Audit Opinion: Implemented</p>	No further action required
Capital Frameworks – Call off Selection and Award 19 February 2020	30 June 2020	The fee process should be reviewed, where possible the ability to recharge the management fee should be brought forward to ensure it happens as close to the tender activity as possible, or the potential for staging the management fee so that a proportion is paid on the completion of the tender activity should be considered. The team may also	<p>There is currently a process in place for collecting abortive fees from main contractors should projects not go ahead.</p> <p>This is currently being reviewed together with a proposal to charge 'upfront fees' from contractors early in the second stage of the tender process. This will be discussed at board level and with the Managing</p>	<p>The NWCH Board agreed a recommendation in October 2020 to implement a 15% upfront fee (non-refundable) payable within the second stage process when the contractor has received payment from the client. It was agreed that this would be taken forward for discussion with clients and a timeline for implementation agreed.</p> <p>Internal Audit Opinion: Implemented</p>	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<p>wish to consider reviewing the fee charges to include a small 'aborted tenders' allowance so that the costs of such incidents are covered where no recharge is to be made directly to the client or contractor.</p> <p>Consideration of whether a "cancellation fee" should be charged to the client where a full tender activity has been undertaken but the project is cancelled prior to any work taking place should be given as part of the review of the fee process.</p> <p>Thought should also be given as to how information on the current contractual status of the call offs can be collected promptly and efficiently to ensure that fees are not missed due to the team not being informed that the contract has been signed.</p>	Directors of our Contractor Partners.		
Prevention and Detection of Procurement Fraud 6 June 2019	31 December 2019	<p>The Director of Capital Programmes with the Frameworks Lead (NWCH) should develop a method for monitoring bid patterns across this and other frameworks to ensure transparency and inform any actions required to stimulate greater competition.</p> <p>Consideration could be given to the development of a periodic report outlining engagement with the</p>	The list of commissions is reviewed each quarter with a finance review undertaken to track fees and Social Value outcomes collected. A Capital Programmes (CAPPS) framework has predominantly been used for Council commissions and as such over the 4 years since launch the reliance on the Council to use the framework has diminished as recruitment has taken place. The NWCH team will	<p>Internal Audit confirmed that the outstanding element of this recommendation was being addressed through the commission of a piece of work regarding the setting up of reports on Welcome Home which was underway.</p> <p>Internal Audit Opinion: Implemented</p>	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<p>framework, supplier success rates (and any reasons for higher than expected success) and any concerns raised by suppliers over the tender process (whether via a opt out response or through feedback to the framework team).</p> <p>This report should also review lack of engagement by individual suppliers and the reasons for this in order to provide assurance to Senior Management that the framework continues to provide value.</p>	<p>add to the quarterly review bid patterns and list any suppliers who have consistently not returned mini competitions. It is noted that the hourly rates originally tendered and the further availability of other frameworks in the market makes CAPPs less attractive to the market than originally envisaged.</p>		
Prevention and Detection of Procurement Fraud 6 June 2019	30 June 2020	<p>The Head of Integrated Commissioning and Procurement should produce / commission an annual review of bid information held in the Chest. This should be done to allow for further investigation of bid patterns if issues are identified. This analysis should include:</p> <ul style="list-style-type: none"> - Supplier Success Rates. - Single Bidder Activities. - Projects with multiple ITT stages. - Reasons for opt outs. <p>In order to aid in the running of the above the ways of working with the system should be reviewed with the system supplier (as part of the development discussions recommended at 2 above) to ensure that:</p> <ul style="list-style-type: none"> - the use of multiple ITT stages is 	<p>An annual report will be produced to consider the procurement activity over the previous financial year.</p>	<p>Work has been undertaken by the Integrated Commissioning and Procurement team to explore options for addressing this risk. Whilst the Chest functionality enables the processing of tenders and retention of records, the reporting facility within the Chest is limited and does not function sufficiently to produce accurate reporting information that is reliable. Work has therefore been undertaken to identify and assess alternative means of assurance and the strengthening of those where possible. An example being the introduction of a requirement for staff to record in the private notes section in the workflow why a stage has been added if the circumstances are unusual. This will help to create an audit trail. Another control to note is that where the procurement team are the verifiers, they will alert stakeholders to</p>	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<p>avoided unless necessary and that the way the system records these is fully understood.</p> <p>- discontinued activities are marked as such in a way which can be identified within both detailed and summary reports.</p>		<p>any free text responses that may require further attention.</p> <p>The strategic group that oversees the Chest is currently preparing to re-tender and the specification will be reviewed to strengthen the reporting element to facilitate improved use of system data moving forward.</p> <p>Internal Audit Opinion: Implemented</p>	
GDPR Post Implementation Review 20 June 2019	30 April 2020	The Council's Corporate Records Manager working with its Data Protection Officer (DPO) and the Information Steering Group (reporting to CIARG) should develop a corporate action plan to prioritise and agree actions to improve data retention and disposal arrangements. We are aware that the DPO intends to undertake a risk assessment of all service areas which will be presented to CIARG, this will highlight areas of priority to be included in the plan.	It is accepted that a corporate action plan should be developed to improve data retention and disposal arrangements and build this into the Information Governance Risk Register. The Corporate Records Manager will work with the Deputy Senior Information Risk Officers to assess records management maturity in their areas and develop standardised locally owned action plans for development of records management best practice.	<p>An action plan has been drafted and presented to CIARG for review and comment. Internal Audit considers that the action plan is proportionate and focused on the areas for improvement that the audit identified.</p> <p>Internal Audit Opinion: Implemented</p>	No further action required
Neighbourhood Investment Fund 2 September 2019	6 September 2019	NIF funding should only be spent where there has been an application from a community group. Team leaders should not approve payment at the request of Members where there is no community group application in support of the payment.	No NIF grant to proceed without written record of decision (email or signature to confirm verbal discussion). The NIF expenditure in Chinatown addressed urgent issues raised by the Accountability Board (drug dealing and rat infestation) however there were no Community Groups available so the cost of this work should have fallen elsewhere.	<p>Members have been reminded in writing of the requirement for application approval to be made either via email or wet signature and that NIF funding should only be allocated and spent where there has been an application from a community group.</p> <p>Internal Audit Opinion: Implemented</p>	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
			This will need reinforcing with local Members.		
Neighbourhood Investment Fund 2 September 2019	31 December 2019	Guidance should be updated to include agreed timescales for monitoring NIF grants and details of checks to be undertaken; management should ensure this is completed.	A task group led by Richard Dudley (Neighbourhood Team Leader) with NIF leads from Central, North and South teams to review content and issue procedural guide to be followed by all three teams. This will ensure consistency across neighbourhoods. Agree programme for each Neighbourhood Officer to deal with outstanding monitoring.	Procedural guidance has been reviewed and updated to enable consistency. Internal Audit Opinion: Implemented	No further action required
GMRAPS 15 October 2019	31 January 2020.	Ensure permits are in place and updated timely for all in house works.	Accepted.	The requirements for permitting is documented within procedural guidance. Management have met with Manchester Contracts to demonstrate how to input and update a permit and the information required and have issued them with a permit tracker for monitoring permits. Internal Audit Opinion: Implemented	No further action required
GDPR DPIA 1 November 2019	30 April 2020	The Data Protection Officer should contact the managers identified in our sample, to confirm the completion of a DPIA for each project.	Accepted.	The Data Protection Officer has contacted managers with respect to each project in our sample. He has confirmed the position regarding relevant data protection requirements and considerations, and where appropriate has supported managers with the completion of DPIAs. This support remains ongoing. Internal Audit Opinion: Implemented	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
<p>Disability Supported Accommodation Services: Quality Assurance Framework</p> <p>14 February 2018</p>	<p>31 August 2018</p>	<p>Management should consider which key areas of the Care Act registered managers and support coordinators should provide assurance over for all citizens in their properties. To support this, there will need to be:</p> <ul style="list-style-type: none"> • A register of each citizen, staff member and property which should be monitored centrally to ensure full, timely coverage. • Each Centre's own registered manager and support coordinators should complete these checks as soon as possible to support the CQC inspections and provide results to the Interim Service Manager (DSAS) and Programme Lead. • Accountability for registered managers and support coordinators to implement any actions that are identified. Results can then be assessed and addressed at a strategic level if further support or resources are needed. <p>Clarity as to how registered managers assure themselves that quality control checks are built into day to day service provision. This should help inform the Quality Assurance (QA) Framework, allowing auditors to provide an opinion on these arrangements</p>	<p>I agree with the activity identified within recommendation 1.</p> <p>Register of all details including residents; staff and properties to be sent to Performance, Research and Intelligence team.</p>	<p>The Executive Director for Adults reported to Audit Committee that action to start the DSAS audit programme had started but was then curtailed due to the response requirements to the Covid19 pandemic and the audit programme will be restarted as soon as practicable.</p> <p>Internal Audit Opinion: Implemented.</p>	<p>No further action required</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		rather than lower level, task specific compliance.			
Disability Supported Accommodation Services: Quality Assurance Framework 14 February 2018	31 August 2018	<p>Management should consider integrating oversight of the Supported Living QA process into the role of Adults QA team and revise the content of the Framework. This could include:</p> <ul style="list-style-type: none"> A workshop including key partners, support coordinators and registered managers used to inform a revised framework. Supporting an effective QA audit process and clarifying whether inquiry or inspection of evidence is required for each question/section and QA auditors recording where this has been done. Where assurance is being, or should be, sought from more specialist input such as HR, Health and Safety, Risk and Resilience, Corporate Property, Contract Monitoring and Learning and Events teams. <p>Internal Audit propose to support development action by assisting management in the development and delivery of a redesign workshop.</p>	<p>With regard to recommendation 2 whilst I have welcomed the support and expertise the Adults QA Team have provided to date and would want this to continue going forward</p> <p>I do not think it is appropriate to integrate oversight into the role of the Adults QA Team. The service is a commissioned In House Provider and is regulated and inspected by CQC and is also subject to commissioning reviews by the contracts team. However it will be helpful to be able to access the QA Team's support for the further development work we have planned. Also in terms of oversight and challenge this will be provided through the Adults Quality Assurance and Performance Board.</p> <p>Workshops with staff and stakeholders to review and propose any desired changes to: QA Framework; Audit Tool and Guidance Documentation to be delivered throughout March and April.</p>	<p>A quality assurance process was developed including a workshop to support it. It includes guidance for service audits to be carried out and a moderation process along with a new schedule of activity. This approach was approved by management and therefore the recommendation was implemented. There have been delays in the launch of the audit programme based on the current priorities in the service which will limit its effectiveness at this time.</p> <p>Internal Audit Opinion: Implemented</p>	No further action required
Children Services: Management Oversight and Supervision	31 July 2019	The Deputy Director, Children's Services should ensure that Locality Heads of Service complete file audits in conjunction with the requirements of the policy.	To be included within guidance.	Management confirmed that action was taken to address the recommendation and subsequently broader development has been undertaken in relation to quality assurance requirements. Policy	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
9 May 2019				<p>was updated to include auditing of supervision files principally to look at the quality of direct work as part of the QA Framework. It is reported that adherence to this policy was strong initially however it has been inconsistent over the last 18 months. A new approach to quality assurance was developed with increased levels of audits reportedly 126% more than the year the internal audit was completed. Management have confirmed that the Service is now developing a quality assurance virtual team through the "Close the Loop" activity.</p> <p>Internal audit opinion: Implemented</p>	
Assessed and Supported Year in Employment 21 May 2019	30 June 2019	The Workforce Learning and Development Manager should ensure that Social Work (SW) Managers are reminded of their role in supporting delivery of the ASYE programme. In particular, SW Managers should be required to provide confirmation to the Social Work Consultants on the completion of key milestones, including at a minimum the learning agreement, direct observations, and the six- and twelve-month reviews.	A google sheet has been circulated by the Workforce Learning and Development Manager to the North, South and Central Service Leads. Managers with responsibilities for Newly Qualified SWs can update their records each month over the 12 month programme and progress will be RAG rated. This will allow the SW Consultant to provide additional support to those NQSWs that fall into an amber or red position. The Google sheet will be used to capture all the key milestones of the ASYE programme up to completion by the service.	<p>Management confirmed that monitoring is carried out on progress for all NQSW on the AYSE programme. There is regular review and an annual report is produced as part of the assurance process.</p> <p>Internal Audit Opinion: Implemented</p>	No further action required.
Assessed and Supported Year in Employment 21 May 2019	30 Sept 2019	The Social Work Consultant should ensure that reconciliations of expected income against actual receipts are undertaken regularly	Workforce Learning and Development Manager to have greater oversight into the reconciliations and payments from	Management have confirmed that the costs are now tracked and monitored and reported to management. Internal Audit has now seen the annual report	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		(possibly in-line with the quarterly reporting). This may be done by creating additional columns in the tracker and using the notification of payments from Skills for Care to confirm receipt of payment.	Skills for Care. Monthly review of spreadsheet and viewing payment when available from Skills for Care. *Please note* Skills for Care close for 5 months for online payment so systems will be in place to monitor this and claim when online system is closed from April 2019 – September 2019. Support from finance has been sought who now are in communication with Skills for Care to ensure we are clear on claims received.	used to provide update and assurance as part of the process. Internal Audit Opinion: Implemented	
ICT Software Licensing 24 July 2018	30 April 2019	The Council should review the need for a business case for dedicated full-time resource and software licensing tools in order to drive a centralised and consistent approach to software licensing management.	ICT will: Carry out a review of roles and Responsibilities within Service Operations to assess the current limitations in terms of software asset management (SAM) skillsets and resource: and Explore other market solutions in conjunction with subject matter experts including Gartner, and present a business case to ICT DLT.	The Director of ICT attended Committee in September 2020 to present a paper on the Council's current position and management of software licensing. As a result it was agreed to refer the risks associated with this recommendation back to the business to manage. Internal Audit Opinion: Risk referred	No further action required
ICT Software Licensing 24 July 2018	30 April 2019	Software licensing management roles, responsibilities and capability gaps need to be defined, implemented and communicated to ICT and the Directorates. Additionally, both the end users of licenced applications and IT staff who install and maintain the applications should have a clear understanding of the appropriate	Following the work done in Recommendation 1, ICT will be in a position to define roles and responsibilities for software asset management (SAM). Beyond this, ICT will devise (as part of another recommendation arising from this audit) policies and procedures to support Council-wide compliance to a consistent approach to SAM,	The Director of ICT attended Committee in September 2020 to present a paper on the Council's current position and management of software licensing. As a result it was agreed to refer the risks associated with this recommendation back to the business to manage. Internal Audit Opinion: Risk referred	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		processes and procedures that limit risk to and ensure compliance. This recommendation should be considered in the wider context of the potential requirement to define roles relating to application ownership across the Council, with a specific focus the specific responsibilities that the role entails.	clearly differentiating between centrally managed licensing and those managed locally within business units.		
ICT Software Licensing 24 July 2018	30 April 2019	<p>The current systems used by ICT to support software asset management (SAM) should be reassessed to ensure that they are fit for purpose and possess the capability to process, create and maintain all stores and records for software and related assets.</p> <p>Furthermore, the Council should look to move away from the manually intensive process currently in operation and explore the automation of tasks required to maintain compliance with software licenses and control software spending.</p> <p>The tools available to the Council should provide the functionality to detect and manage all exceptions to SAM policies, processes, and procedures; including license use rights and necessary infrastructure and processes for the effective management, control and protection of the software assets, at</p>	<p>ICT will investigate the work other Council colleagues may be undertaking in relation to the acquisition of tools to manage SAM. ICT will seek to collaborate with such colleagues to ensure best ICT practice implemented and ICT requirements are included in any specifications.</p> <p>If no collaboration opportunities exist, ICT will explore other market solutions and present options to DLT to approve a way forward as part of the business case planned in response to another recommendation arising from this audit.</p>	<p>The Director of ICT attended Committee in September 2020 to present a paper on the Council's current position and management of software licensing. As a result it was agreed to refer the risks associated with this recommendation back to the business to manage.</p> <p>Internal Audit Opinion: Risk referred</p>	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<p>all stages of the Software license lifecycle.</p> <p>Once reporting is established then regular validation audits should be completed by the SAM team to ensure that the reported position is accurate.</p>			
Early Help and Troubled Families	30 July 2020	<p>The Strategic Head of Early Help should reinforce with all Early Help staff the importance of confirming that the family have consented to the referral before any action is taken, and that, once a referral has been accepted, a written record of this consent is obtained from all relevant family members and uploaded before information is shared with partner agencies.</p>	<p>Agreed, ensuring families read, or are made aware of, the Early Help Privacy Notice continues to be an important part of the offer of early help from referral through to intervention. We accept the findings and will monitor and challenge non-compliance by:</p> <ul style="list-style-type: none"> • updating the Early Help Process and Practise Standards to provide clearer guidance for practitioners. New GDPR legislation has changed the language on 'consent' which should now be considered within the remit of the Early Help Privacy Notice. • monitoring and challenging compliance through our existing audit cycle and ensuring regular reporting back to senior management. 	<p>Internal Audit has confirmed that Early Help Procedures have been updated to include clarity on consent. The procedures have been rolled out to all teams.</p> <p>QAF audit tool was amended to include clearer recording of Early Help consent. Every practitioner team is required to undertake one audit each month. The Head of Service analyses all audits and completes a Head of Service report which monitors compliance around consent. These reports are then discussed in monthly Closing the Loop meetings with Locality Managers. Internal Audit has reviewed examples of these reviews and reports and considers these address the issues raised and seek to improve quality and compliance.</p> <p>In addition, the service is currently completing a Data Protection Impact Assessment (DPIA) to ensure all data 'risks' are identified and mitigated. This will be completed by end of February 2021.</p>	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
				Internal Audit opinion: Implemented	
Early Help and Troubled Families	30 July 2020	The Strategic Head of Early Help should develop a means of improving compliance with the requirement to create or update a child impact chronology at the start of the Early Help offer. Compliance should be monitored, either on a whole population or sample basis, and the results should be reported to senior management and fed back to individual team leaders.	We accept the findings in relation to chronologies. The importance of chronologies and requirements for completing them will be included in the new process and practice guidance.	Internal Audit has confirmed that The Early Help Procedures have been amended and include guidance on chronologies. Chronologies are now included in the monthly QAF audit cycle and reported on in the Head of Service Monthly reports which are then discussed in monthly Closing the Loop meetings with Locality Managers and shared across teams. Internal Audit opinion: Implemented	No further action required
Children's Services: Penalty Notices for Unauthorised Absences 1 February 2019	31 Dec 2019	The Strategic Lead for School Attendance & Education Other Than at School should continue to monitor the cost of operating the penalty notice service compared to the income received, to ensure that this remains cost neutral as required by legislation and the Protocol. A summary report on income and expenditure relating to the penalty notice scheme should be included in the annual Attendance report to Senior Management and to the Children and Young People Scrutiny Committee.	Regular termly meetings will be held with finance to monitor and review the revenue from monies collected from the paid penalty notices. A summary on the income and expenditure will be included in a report to senior management and to the Children and Young People Scrutiny Committee on an annual basis.	Management have confirmed that there is regular review of expenditure on and collection of penalty charges to ensure transparency that the process remains cost neutral. The financial impact of having had no penalty charges issued since April 2020 has been widely reported. Internal Audit Opinion: Implemented	No further action required.

Appendix 2 – Recommendations Over 9 Months Overdue (to end of December 2020)

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Transition to Adult Services 15 Feb 2018	31 October 2018	The Deputy Director of Adults Social Services should ensure that within six months an operational plan is in place for delivering the revised transitions offer in line with the agreed strategy and vision. This plan should include the formalisation of policy and procedure, roles and responsibilities and the use of transition specific documentation referred to in National Institute for Clinical Excellence (NICE) guidance.	Operational Plan in place for delivering the revised transitions offer in line with the agreed strategy and vision	The Executive Director of Adult Social Services confirmed progress to Audit Committee in November 2020. A new operational plan reflecting the vision and strategy will be put in place as part of the action to embed the new strategy. Internal Audit Opinion: Partially implemented	Director: Bernadette Enright, Executive Director of Adult Social Services Executive Member: Councillor Craig Status: 26 months overdue Action: Revised implementation date - due 31 March 2021
Transition to Adult Services 15 Feb 2018	30 April 2018	The Deputy Director of Adults Social Services should develop a clear transitions strategy and vision in conjunction with Children's Services and other key partners, in line with Care Act requirements. Once developed the strategy and vision should be used to inform the development of a clear service offer for transitions. This offer should be clearly communicated to confirmed key stakeholders including service users. Advice could be sought from other Local Authorities including the Council's Adults Services improvement partner, and differing approaches considered.	Transitions Strategy and Vision to be developed	The Executive Director of Adult Social Services confirmed progress to Audit Committee in November 2020. A new service manager will take this forward developing a strategy reflecting the new vision for Transitions. Internal Audit Opinion: Partially Implemented	Director: Bernadette Enright, Executive Director of Adult Social Services Executive Member: Councillor Craig Status: 32 months overdue Action: Revised implementation - due by 31 March 2021

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Transitions to Adult Services 15 Feb 2018	30 June 2018	To support day to day performance management the Interim Deputy Director of Adults Social Services should introduce a suite of Key Performance Indicators. This should be defined once the strategy and vision in place. A long term solution should be considered and built into Liquid Logic to help identify performance trends and provide assurance to senior management.	Key performance Indicators (KPIs) introduced.	The Executive Director of Adult Social Services confirmed progress to Audit Committee in November 2020. A new service manager appointed December 2020 will take forward this recommended action and embed key performance measures into the process as part of the launch of the strategy and action plan. Internal Audit Opinion: Partial Implemented	Director: Bernadette Enright, Executive Director of Adult Social Services Executive Member: Councillor Craig Status: 30 months overdue Action: Revised implementation - due 31 March 2021
Purchase Cards 19 September 2018	31 Dec 2018	The Deputy Chief Executive and City Treasurer should develop guidelines setting out the general principles for providing hospitality to others, including where a Council officer or member also benefits from the expenditure. This should be supported by examples as appropriate. Internal Audit will support implementation of this recommendation by providing an outline of potential areas for inclusion, and will provide further details of test findings on request.	The City Solicitor, supported by the DCE and City Treasurer, will develop guidance on the provision of hospitality. They will also identify a suitable place within the existing guidance framework for this to be published.	The Code of Conduct was due to be presented to Personnel Committee in November 2020 but this did not take place due to other pressing business in relation to the VS/VER scheme. Once the revised Code of Conduct has been agreed (scheduled 20 January 2021) the policy will be made available to all Officers and Members via the Intranet. The revised Code specifically addresses the provision of Gifts and Hospitality by Council officers. Internal Audit Opinion: Partially implemented	Director: Fiona Ledden, City Solicitor and Carol Culley, Deputy Chief Executive & City Treasurer Executive Member: Councillor Leese Status: 24 months overdue Action: Personnel Committee 20 January 2021
Adult Services Management Oversight and Supervision 5 April 2019	31 May 2019	The Assistant Director of Adult Services should establish a central means of monitoring the actual frequency of supervisions. Accuracy of this central record should be confirmed as part of the QA process (see recommendation 4.1).	Audit process to be agreed within the Supervision Task & Finish Group. Process will be embedded into the final Supervision Policy.	The Executive Director reported to Audit Committee in November 2020 that there was a mechanism to collate supervision information to assure senior managers that supervisions are taking place in line with professional practice. It is	Director: Bernadette Enright, Executive Director of Adult Social Services Executive Member: Councillor Craig

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		The results in terms of frequency and quality should be audited, analysed, and reported annually.	Additional Resources Required for implementation: Yes – Support from the Reform and Innovation Team secured.	<p>reported at supervising manager meetings whether these are taking place as intended and where compliance looks low this is interrogated further.</p> <p>It was confirmed that it is planned to reconvene a group to review the means to provide for effective audit of the quality of supervisions and the impact of the interim Quality Assurance process.</p> <p>Internal Audit Opinion: Partially Implemented</p>	<p>Status: 19 months overdue</p> <p>Action: Internal audit to review progress as agreed by end of February 2021.</p>
Adult Services Management Oversight and Supervision 5 April 2019	30 Nov 2019	The Assistant Director of Adult Services should ensure that a programme of supervision training is developed, and that this training is offered to and completed by all social work supervisors.	Training plan to be agreed and implemented via the Supervision Task & Finish Group. Training will be provided to new starters in a pilot phase before being rolled out to existing staff.	<p>The Executive Director reported to Audit Committee that there is now a programme of supervision training and that this was delivered. There is work under way to pick up any officers who are new starters or did not receive the training.</p> <p>It is proposed that a report will be provided to Performance Board at the end of February 2021 demonstrating progress made on supervision training and delivery and subject to this providing assurance to management over completion this recommendation will be confirmed as completed.</p> <p>Internal Audit Opinion: Partially Implemented</p>	<p>Direct Director: Bernadette Enright, Executive Director of Adult Social Services</p> <p>Executive Member: Councillor Craig</p> <p>Status: 13 months overdue</p> <p>Action Internal Audit to review the report to Performance Board which is proposed for end of February 2021</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Mental Health Casework Compliance 5 April 2019	30 June 2019	The Director of Adult Services should seek assurance from the Trust over consistency in recording safeguarding investigation activities, including whether the new case management system, Paris, can enforce correct procedures via system workflows. This may involve strengthening timely management oversight on case work and enhanced training for all case workers to ensure that procedures are understood.	Greater Manchester Mental Health Trust and Council to jointly establish a 'Task & Finish' group to investigate, work to resolve, and report progress back to the Director of Adult Services.	As reported to Audit Committee in November 2020 a range of training has been rolled out across the Trust and associated safeguarding plans within divisions. This positive progress as reported to Committee will be tested as part of a follow up in 2021 to ensure that this is operating as expected and if so then this recommendation will be confirmed as complete. Internal Audit opinion: Partially implemented.	Director: Bernadette Enright, Executive Director of Adult Social Services Executive Member: Councillor Craig Status: 18 months overdue Action: Full follow up audit included on 2020/21 audit plan to be completed early in 2021.
Mental Health Casework Compliance 5 April 2019	30 June 2019	The Director of Adult Services should seek assurance from the Trust in regard to whether Paris, the new case management system, offers improved controls over the initial response to safeguarding concerns, such as requiring management sign-off within 24 hours of receipt of the referral.	Greater Manchester Mental Health Trust and Council to jointly establish a 'Task & Finish' group to investigate, work to resolve, and report progress back to the Director of Adult Services.	As above Internal Audit opinion: Partially implemented.	Director: Bernadette Enright, Executive Director of Adult Social Services Executive Member: Councillor Craig Status: 18 months overdue Action: Full audit included on 2020/21 audit plan to be completed early in 2021.
Mental Health Casework Compliance 5 April 2019	30 June 2019	The Director of Adult Services should seek assurance from the Trust that manager approval is actively monitored to ensure compliance with quality and time standards.	Greater Manchester Mental Health Trust and Council to jointly establish a 'Task & Finish' group to investigate, work to resolve, and report progress back to the Director of Adult Services.	As above Internal Audit opinion: Partially implemented.	Director: Bernadette Enright, Executive Director of Adult Social Services Executive Member: Councillor Craig Status: 18 months overdue Action: Full audit included on 2020/21 audit plan to be completed early in 2021.

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Mental Health Casework Compliance 5 April 2019	30 June 2019	The Director of Adult Services should seek assurance from the Trust over how the timely and appropriate conclusion of investigations can be better managed and monitored – for example, system workflows to ensure adherence to procedure, and system generated reports of open investigations for which no recent activity has been logged.	Greater Manchester Mental Health Trust (GMMHT) and Council to jointly establish a 'Task & Finish' group to investigate, work to resolve, and report progress back to the Director of Adult Services.	<p>Management reported that performance management during implementation of the improvement agenda would include performance metrics being agreed with Greater Manchester Mental Health Trust management. In November 2020 the Director confirmed a range of arrangements via Divisions that have been established to oversee quality and compliance and arrangements for the reporting and monitoring of performance have been established. These will be assessed by Internal Audit as part of a follow up audit to independently assure whether these arrangements are now addressing the risks noted in the original audit report.</p> <p>Internal Audit Opinion: Not Implemented</p>	<p>Director: Bernadette Enright, Executive Director of Adult Social Services</p> <p>Executive Member: Councillor Craig</p> <p>Status: 18 months overdue</p> <p>Action: Follow Up audit included on 2020/21 audit plan to be completed early in 2021.</p>
Mental Health Casework Compliance 5 April 2019	30 Sept 2019	The Director of Adult Services should ensure that a formal process is agreed and established with the Trust for a monthly reconciliation between safeguarding referrals sent and received. Trust and Council staff should work together to ensure that the new case management systems in each organisation – Paris and Liquid Logic, respectively – consistently record outcomes of safeguarding referrals, so that these can more easily be transferred across systems to ensure completeness of Council	It is accepted that safeguarding outcomes need to be recorded in MiCare (Liquid Logic in future). Quality and Performance group will consider options to ensure this can be done efficiently and effectively.	<p>As above</p> <p>Internal Audit Opinion: Not Implemented</p>	<p>Director: Bernadette Enright, Executive Director of Adult Social Services</p> <p>Executive Member: Councillor Craig</p> <p>Status: 15 months overdue</p> <p>Action: Full audit included in 2020/21 audit plan, to be completed early in 2021.</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		records and ability to monitor outcomes.			
Mental Health Casework Compliance 5 April 2019	30 June 2019	The Mental Health Commissioning Manager should undertake a review of performance reporting against the agreed KPIs to ensure that performance is being reported accurately and consistently in line with the Section 75 agreement.	The Quality & Performance group is working on improvements to the current performance reporting arrangements; changes are planned for the new financial year (from April 2019 onwards), including addition of commentary.	In a report to Audit Committee in November 2020 the Director confirmed that whilst performance and quality arrangements have been established these are not yet defined in a series of KPIs linked to the S75 Agreement, as the Agreement itself is subject to review which remains outstanding. In audit's opinion the performance monitoring arrangements as described in the November 2020 report should provide a positive level of confidence that risks to service quality and performance are being addressed so this will independently assessed as part of a follow up audit in 2021 and at that stage we will assess whether this recommendation has been largely addressed. Internal Audit Opinion: Partially implemented	Direct Director: Bernadette Enright, Executive Director of Adult Social Services Executive Member: Councillor Craig Status: 18 months overdue Action: Follow Up audit included in 2020/21 audit plan, to be completed early in 2021.
Contract Spend Review 10 December 2019	31 March 2020	Work should be undertaken to identify the Council's main strategic suppliers. The information contained within contract registers could facilitate this and help to identify those suppliers whether this be by number or value of contracts, or service dependency. A plan for how these contracts should be monitored along with any central oversight to be put in place should then be developed to ensure that the Council	Agree with some comments. Directorates do have some arrangements in place for strategic suppliers. A one size fits all approach is unlikely to work but the Team can develop guidelines and key principles. The management of strategic suppliers will also require	We have confirmed that the Integrated Commissioning and Procurement Team have been working with directorates to: - further refine forward plans. There was a meeting in November 2020 with leads across directorates around identifying opportunities for joined up commissioning. - develop protocols for how to manage contractors with multiple 'customers' across directorates	Director: Carol Culley Deputy Chief Executive and City Treasurer Executive Member: Sir Richard Leese Status: Nine months overdue Action: Monitor

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		can take suitable action if becoming aware of any warnings indicating supplier failure.	work between DMTs and key partners, particularly in health.	<p>against a single contract (i.e. multiple users of the same contract, like SAP).</p> <p>- look at how to manage key suppliers in health and social care which is one of the main areas for key suppliers (this will be taken forward with adults and public health commissioners).</p> <p>We have agreed with managers that once the protocols and work to manage key suppliers develops further we will be able to change the status of this to implemented.</p> <p>Internal Audit Opinion: Partially Implemented</p>	
Floating Support - Support to Homeless Citizens in Temporary (Dispersed) Accommodation 29 May 2019	30 October 2019	<p>The Strategic Lead - Homelessness and Migration should ensure that documentation requirements for case activity are confirmed for all key tasks. Representatives from the business should then be identified to engage with Liquid Logic to establish what has been designed and whether it meets the needs of the Service. Ideally this would develop formal workflows that will ensure:</p> <ul style="list-style-type: none"> • All key records to be retained in a consistent format that also enables management sign off (if required), case prioritisation and review as well as alerts where key actions have not been completed. 	Meetings with Liquid Logic have already taken place since the initial findings of the audit report to make the new system fit for purpose for the homeless service. Initial discussions show this will not be possible until phase 2 of the roll out. In the meantime, officers will meet with the Liquid Logic team, to see what can be best utilised from the system as it stands to better support the floating support case management and supervision.	<p>Delays in implementation are based on the need to develop documentation requirements within Liquid Logic phase two. A new date for this has now been set for mid 2021.</p> <p>We continue to note that Liquid Logic is being used as far as possible in its current form to support operational activities.</p> <p>Internal Audit Opinion: Partially implemented</p>	<p>Director: Mike Wright, Director of Homelessness</p> <p>Executive Member: Councillor Craig</p> <p>Status: 14 months overdue</p> <p>Action: Given the timescales required for changes to Liquid Logic phase 2, audit and service management to agree whether the current system is sufficient to address key risks and propose to the Director whether this recommendation should remain open or whether the</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<ul style="list-style-type: none"> Management information can be produced directly from the system (such as last visit date). Consideration should also be given to embedding of key documents for example sign up paperwork. 			risk is sufficiently addressed to propose that this action be closed as partially addressed. The outcome of this will be shared with Audit Committee for comment. For completion by end February 2021
Procurement in Schools 12 July 2019	30 Nov 2019	<p>Director of Education to consider arranging procurement workshops for Governors, Head Teachers and Business support staff. These sessions should be used to highlight the risks and issues as identified during this audit along with guidance, support and templates where necessary to address these issues and risks. These forums can also be used to re-promote the DfE schools buying hub.</p> <p>We are happy to support this work however consideration should be given to involving Head Teachers and Business Managers from schools where procurement practices are strong in sharing their knowledge and expertise with their peers.</p> <p>Internal Audit propose issuing a circular to all schools following this work around areas where improvements are required. This circular will include a tool for schools to self-assess their own procurement practice ahead of the proposed workshops.</p>	Joint workshops for stakeholders to be facilitated by representatives from Procurement, Schools Finance and Audit. The focus will be on an overview of procurement risk and processes, access to and understanding of national and Council guidance, relevant procurement and finance regulations and reasons why they must be followed.	<p>There has been limited progress on this proposal which has now been further delayed by Covid19.</p> <p>Based on a recent update Internal Audit has agreed to review options with Procurement and Education Finance for addressing procurement governance, risk and awareness and the means to ensure that all school have sufficient access to appropriate guidance and support.</p> <p>Internal Audit Opinion: Not implemented</p>	<p>Director: Paul Marshall, Strategic Director of Children's Services</p> <p>Executive Member: Councillor Bridges</p> <p>Status: Twelve months overdue</p> <p>Action: Internal Audit and service management in finance and procurement to re-assess options to support and strengthen procurement governance.</p>

Appendix 3 – Recommendations 6-9 Months Overdue

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
GDPR Data Privacy Impact Assessments (DPIA) 1 November 2019	30 April 2020	The Data Protection Officer, with support from Corporate Communications, should ensure that the data protection communications plan includes messages to address the awareness gaps identified in our audit. The messages should be presented to CIARG for review and approval.	Accepted	<p>Following the COVID-19 lockdown the priority for data protection communications was security of working from home and using new ICT tools. This meant that no DPIA-specific communications had been scheduled. The move to Microsoft 365 was then prioritised.</p> <p>However a new mandatory information governance e-learning course has now been rolled out, including messages on DPIAs, and further communications will be linked to a new DPIA format aimed to launch in early 2021.</p> <p>Internal Audit Opinion: Partially implemented</p>	<p>Director: Fiona Ledden City Solicitor</p> <p>Executive Member: Councillor Sir Richard Leese</p> <p>Status: Eight months overdue</p> <p>Action: Continue to monitor</p>
GDPR DPIA 1 November 2019	30 April 2020	The Data Protection Officer, with support from the Directorate Senior Information Risk Owners, should establish arrangements for the periodic monitoring of compliance with DPIA requirements.	Accepted	<p>Progress on this has been impacted by a focus on other corporate priorities arising, notably, from the COVID situation and the Microsoft 365 change programme. The new and centrally captured DPIA format and links to project and finance management frameworks will proactively support monitoring.</p> <p>Internal Audit Opinion: Partially Implemented</p>	<p>Director: Fiona Ledden City Solicitor</p> <p>Executive Member: Councillor Sir Richard Leese</p> <p>Status: Eight months overdue</p> <p>Action: Continue to monitor</p>
Adults Improvement	31 March 2020	The Strategic Lead Business Change should re-evaluate the	As part of a 12 month stock-take of the Improvement Programme	The recommendations fell due for implementation during the COVID19	Direct Director: Bernadette Enright,

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Plan Governance 9 January 2020		'action type' categories and how these can be clarified and simplified. For example, each action could be assigned a priority level (1/2/3) to indicate whether it is currently an area of active focus. We recommend that the workstream leads include an update on each action of the highest priority level in the highlight reports	the action plans are being refreshed, which will include clearer indication of priority level and milestones/sequencing which will flow through into highlight reporting.	lockdown. We have not received confirmation of implementation from management at this stage and will seek an update based on the refresh of the Plan currently underway which may change the way in which the Plan is monitored. Internal Audit opinion: Not implemented	Executive Director of Adult Social Services Executive Member: Councillor Craig Status: Nine months overdue Action: Follow Up Audit to be completed later in the 2020/21 audit year.
Adults Improvement Plan Governance 9 January 2020	30 April 2020	The workstream lead for Provider Services and the Improvement Board should collectively agree on a manageable number of improvement actions, ensuring that these align with the Risk Register and agreed areas of focus. These could be either cross-cutting, specific to individual services, or a combination of both. This should be of a size to allow the entire workstream or thereabouts to be reviewed at a workstream meeting, and updates on all of the highest priority actions should be reported onwards to the Improvement Board, which would better enable oversight and focus on key priorities.	As part of a 12 month stock-take of the Improvement Programme the action plans are being refreshed. For the Provider Services workstream this will mean a streamlining of actions included in the ongoing core Improvement Programme with some actions moving into the new programme of work to review Provider Services (across Health & Social Care).	The recommendations fell due for implementation during the COVID19 lockdown. We have not received confirmation of implementation from management at this stage and will seek an update as the Plan is stepped back up and reassessed. Internal Audit opinion: Not implemented	Direct Director: Bernadette Enright, Executive Director of Adult Social Services Executive Member: Councillor Craig Status: Eight months overdue Action: Follow Up Audit to be completed later in the 2020/21 audit year.
Adults Improvement Plan Governance	30 April 2020	The Technology Enabled Care (TEC) and Workforce workstream plans should be refreshed using the standard template, which allows for increased clarity over action	As part of a 12 month stock-take of the Improvement Programme the action plans are being refreshed. This has already taken place for the Workforce	The recommendations fell due for implementation during the COVID19 lockdown. We have not received confirmation of implementation from management at this stage and will	Direct Director: Bernadette Enright, Executive Director of Adult Social Services

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
9 January 2020		owners, target timescales, and updates on current status. The workstream leads should ensure these are regularly reviewed and kept up to date and use these to inform the highlight reports.	workstream. The TEC workstream is being considered as part of the wider MLCO portfolio with a clear action plan to be finalised by April 2020.	seek an update as the Plan is stepped back up and reassessed. Internal Audit opinion: Not implemented	Executive Member: Councillor Craig Status: Eight months overdue Action: Follow Up Audit to be completed later in the 2020/21 audit year.
Children's: Planning for Permanence	1 April 2020	Locality Managers should confirm which staff in their locality have not received any training or briefings on the policy and consideration should be given to running some additional events for those who have not yet been trained.	This will be addressed by continuing to run additional training events to ensure all staff have receive required training and by refresh of the induction process to include reference to awareness of the revised policy.	The recommendations fell due for implementation during the COVID19 lockdown. We have not received confirmation of implementation from management at this stage and will seek an update. Internal Audit opinion: Not implemented	Director: Paul Marshall, Strategic Director of Children's Services Executive Member: Councillor Bridges Status: Nine months overdue Action: Internal Audit to re-engage with management to review and assess next steps
Children's: Planning for Permanence	1 April 2020	The Permanence Improvement Board should review the impact of the initial roll out of the policy and to address any key issues, such as those identified in our review. In particular focus should be given to Permanence Planning Meetings (PPM) and how arrangements can be revised to make them more achievable. Requirements of PPM should be included, where applicable, in the Children's QA	Senior Management will continue to raise awareness of the importance of the PPM process and engagement of social workers in this process.	The recommendations fell due for implementation during the COVID19 lockdown. We have not received confirmation of implementation from management at this stage and will seek an update. Internal Audit opinion: Not implemented	Director: Paul Marshall, Strategic Director of Children's Services Executive Member: Councillor Bridges Status: Nine months overdue Action: Internal Audit to re-engage with

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		framework to ensure a level of consistency across each locality.			management to review and assess next steps
Children's: Planning for Permanence	1 April 2020	Further performance measures should be developed to assess the effectiveness of permanence planning and then incorporate these in the Permanence score card.	Performance Improvement Board will continue to review performance monitoring to ensure continuous improvement and in considering the effectiveness of the permanence scorecard.	<p>The recommendations fell due for implementation during the COVID19 lockdown. We have not received confirmation of implementation from management at this stage and will seek an update.</p> <p>Internal Audit opinion: Not implemented</p>	<p>Director: Paul Marshall, Strategic Director of Children's Services</p> <p>Executive Member: Councillor Bridges</p> <p>Status: Nine months overdue</p> <p>Action: Internal Audit to re-engage with management to review and assess next steps</p>
Section 106	31 May 2020	Formalise and update the resources and team structure, finalise policies and procedures and formalise governance proposals.	Accepted as recommended	<p>A dedicated officer is now in place with regards to section 106. Governance arrangements have been put in place in the form of a advisory Board and a working Group.</p> <p>A terms of reference was provided for the newly formed advisory group. At the time of follow up we have not yet obtained a copy of the term of reference for the working group or the updated policies and procedures to review.</p> <p>Internal Audit opinion: Partially implemented</p>	<p>Director: Eddie Smith</p> <p>Executive Member: Councillor Stogia</p> <p>Status: Seven months overdue</p> <p>Action: Internal Audit to request further information to assess progress</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Section 106	31 May 2020	Reconcile the new database to the various records held across the Council and update the database to ensure details of all 106 agreements are recorded in a single place.	Accepted as recommended	<p>The new database is being reconciled however progress on this has been slowed by the priority response to the COVID19 pandemic.</p> <p>Internal Audit opinion: Partially implemented</p>	<p>Director: Eddie Smith</p> <p>Executive Member: Councillor Stogia</p> <p>Status: Seven months overdue</p> <p>Action: Review proposals for complete of the reconciliation and agree a new implementation date.</p>

Appendix 4 – Recommendations 1-6 Months Overdue

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Decommissioning Contracts: Leaving Care 23 March 20	30 Sept 20	<p>A guidance framework to assist future decommissioning activity should be created which should include information on the following areas:</p> <ul style="list-style-type: none"> - Decision options - Who to include in the project - Key project Staff (e.g. permanent v consultant, Interim v permanent) - Timelines that need to be considered (e.g. TUPE consultation, pension set up) - How to document the process - Approval process - The importance of impartial review and challenge - Lessons learnt review - Achievement of aims review <p>A guidance framework should be created which should include information on the following areas:</p>	As recommendation.	<p>An update provided by management confirmed a draft guidance framework has been developed which once finalised will be displayed on the intranet.</p> <p>Internal Audit Opinion: Partially Implemented</p>	<p>Director: Carol Culley Deputy Chief Executive and City Treasurer</p> <p>Executive Member: Sir Richard Leese</p> <p>Status: Three months overdue</p> <p>Action: Monitor and confirm timeline.</p>