



## **Audit Committee**

Date: Tuesday, 13 June 2023

Time: 10.00 am

Venue: Council Antechamber, Level 2, Town Hall Extension

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

### **Access to the Council Antechamber**

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. That lobby can also be reached from the St. Peter's Square entrance and from Library Walk. **There is no public access from the Lloyd Street entrances of the Extension.**

### **Filming and broadcast of the meeting**

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## **Membership of the Audit Committee**

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**Councillors** - Lanchbury (Chair), Curley, Good, Noor, Simcock, Stogia and Wheeler

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

## Supplementary Agenda

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- 6. Annual Internal Audit Assurance Opinion and Report 2022/23** 3 - 54  
Report of the Head of Audit and Risk Management
- This report provides Members with the Head of Audit and Risk Management's annual assurance opinion and report on the Council's system of governance, risk management and internal control.
- 7. Annual Internal Audit Plan 2023/24** 55 - 76  
Report of the Head of Audit and Risk Management
- The audit plan for 2023/24 sets out areas of proposed audit coverage for the year and the delivery of this plan will be reported to SMT and Audit Committee as part of regular audit reporting.
- 10. Work Programme** 77 - 82  
Report of the Governance and Scrutiny Support Unit

## Further Information

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

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This supplementary agenda was issued on **Friday, 9 June 2023** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension (Library Walk Elevation), Manchester M60 2LA

**Manchester City Council  
Report for Information**

**Report to:** Audit Committee – 13 June 2023

**Subject:** Annual Internal Audit Assurance Opinion and Report 2022/23

**Report of:** Head of Audit and Risk Management

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**Summary**

The Internal Audit Section delivers an annual programme of audit work designed to raise standards of governance, risk management and internal control across the Council. In accordance with Public Sector Internal Audit Standard 2450 this work is required to culminate in “an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.”

This report provides Members with the Head of Audit and Risk Management’s annual assurance opinion and report on the Council’s system of governance, risk management and internal control.

**Recommendations**

Audit Committee is requested to consider and comment on the Head of Audit and Risk Management Annual Assurance Opinion and Report 2022/23.

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**Wards Affected:** All

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

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents

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

1. Internal Audit Plan 2023/23 (Audit Committee March 2023)
2. Internal Audit Assurance progress reports 2022/23
3. Internal Audit Recommendation Monitoring Reports 2022/23

## 1. Introduction

- 1.1. This report provides the annual opinion of the Head of Audit and Risk Management with a summary outturn of the work of the Internal Audit Section for the period April 2022 to March 2023. Updates on progress with the delivery of the audit plan and the risks, opinions and assurances arising from audit work have been provided to Audit Committee during the year.
- 1.2. In Manchester, the Head of Audit and Risk Management's approach is to obtain sufficient assurance to support the annual opinion, considering both internal audit work and other sources of assurance that include the following:
- Audit plan and other audit assurance and advisory work completed in year and audit work from prior years, where systems or processes have not been subject to fundamental change.
  - Consideration of existing Council strategies, policies, and procedures. cumulative audit knowledge and experience of how these are applied and the key controls in place to ensure policy compliance. This includes a robust process for the development of the Code of Governance, annual governance statement and the register of significant partnerships.
  - Review of the key assurances from Executive, Scrutiny Committees, Strategic Management Team, and Directorate Leadership Team reports including business plans, risk registers, performance and financial reports.
  - Reports from external stakeholders, regulators, auditors and inspectors
  - Data and information governance oversight through active involvement on the Corporate Information Assurance and Risk Group (CIARG) chaired by the Senior Information Risk Owner and established to provide assurance that effective information governance and ICT security controls are operating, for managing, safeguarding and making best use of information.
  - Regular engagement with Directors and Heads of Service to understand key risks and issues; and assurance over how these have been addressed.
  - Review of risk registers and of actions taken and being planned to respond to key risks at programme, directorate and strategic levels.
  - Attendance and review of minutes from project groups and boards. This has included a range of ICT projects and related task/finish groups.
  - Awareness of corporate developments and actions being taken to manage risk and maintain good governance through internal assurance sources such as finance, HR&OD, estates, health and safety and ICT (Information & Communication Technology).
  - A high-level Internal Audit assurance map of key aspects of governance, risk management and control (appendix one).
- 1.3. The Internal Audit Plan proposed for 2023/24 contains a small amount of work carried forward from 2022/23, following an assessment that this work remains valid in terms of priority and continuing risk exposure.

## 2. Overall Opinion

- 2.1. In terms of the year to March 2023, the Head of Audit and Risk Management can provide **reasonable** assurance that the Council's governance, risk and control framework was generally sound and operated reasonably consistently in the year.
- 2.2. This is an equivalent opinion to that issued in the previous six years and reflects that overall governance, financial management arrangements and core systems and processes within the Council remained largely effective. The Council continues to respond to a wide range of risks and issues with areas for further improvement identified through audit and other assurance work, but these are counterbalanced by a number of key strengths.
- 2.3. In forming the above opinion, the Head of Audit and Risk Management has considered sources of assurance and the key strengths and areas for development from this process include the areas set out below.

### **Key Strengths**

- 2.4. The Council has a clear vision and has continued to operate strong systems for development of strategy, business planning and financial planning with strong levels of engagement with institutional stakeholders, residents and the workforce. This was reflected in the Council being named Local Government Chronicle Council of the year in July 2022 based on "ambition, innovation and civic leadership even as it helped support the city through the Covid pandemic - and its refreshed focus on putting people at the heart of everything it does". Judges also noted positive progress and the achievement of Children's Services in securing a 'Good' rating and work done to establish the Manchester Local Care Organisation and ambition to deliver social and affordable housing across the City. The judges said they were "impressed by the united approach of staff, partners and residents" and the way that the Council works with partner organisations and residents to shape services and projects and get results.
- 2.5. As reflected by the LGC Award, the OurManchester Strategy clearly articulates the vision for the City, continues to guide partnership working and provides the context for corporate, directorate and service level business planning. Plans are supported by a clear process for personal objective setting and performance review that is being further enhanced through a new management accountability framework that was developed in the year.
- 2.6. Financial systems remain strong and there is a clear and transparent process for budget setting with high levels of engagement of stakeholders and Councillors with a robust process for review across Scrutiny Committees. Reporting on financial position and performance is clear with updates to officers and members embedded into performance reporting arrangements. Contract, procurement and commercial governance arrangements are well established and enable effective corporate oversight of risks and issues. In the year for example a revised approach to due diligence was developed to support a greater standardisation of the approach to engaging, onboarding and monitoring the financial position of suppliers and partners.

- 2.7. These core processes are supported by a clear commitment and approach to resident engagement and inclusion with leadership appointments made in the year to help drive this work forward across the City and within the Council. A Workforce Equality Strategy is in place and the Corporate Equalities Group and the Resources and Governance Scrutiny Committee receive result updates on delivery of priorities. This Strategy is in the process of being refreshed alongside other work on inclusion, equality, management and leadership development.
- 2.8. Information and technology arrangements across the Council have operated well in the year. Cyber security was identified as a key risk and there has been sustained investment in physical infrastructure and in workforce capabilities with data confident and cyber security training mandated for all staff. This level of investment and commitment has contributed positively to the Council maintaining accreditation to access the Public Services Network in 2022 and 2023. Information governance arrangements are well embedded and the Corporate Information Assurance and Risk Group, Senior Information Risk Officer, Data Protection Officer and network of data governance leads across the Council provide positive engagement and assurance that data protection risks are being managed. A new Corporate Data Management Policy was approved in the year and reaffirms the Council's commitment to ensure data is valued as a resource and is used effectively in decision making and in the design and delivery of services to residents. The need to continue to utilise data appropriately and to best effect is well understood but given the scale of data, systems and services across the Council work continues to be needed to ensure that data is accurate and only held for as long as is necessary.
- 2.9. City level partnerships and those at a Greater Manchester and national level are integral to the achievement of OurManchester and this is reflected in the work with key partners. Work has progressed in the year to develop the health and care place based partnership under the leadership of the Chief Executive as Place Based Lead and with key leadership roles of the Strategic Directors of Adults Social Services, Children's Services and Public Health. The Manchester Partnership Board has been approved as the locality board for Manchester and NHS Greater Manchester have delegated functions at place level to the board which will also act as a consultative forum that consists of health and care leaders across the City. Partnerships across the City via Partnership Board and other forums are well established and support positive proactive and reactive responses to risks and issues across the City.
- 2.10. Improvement and development programmes have been established and are supporting positive outcomes across the Council. This includes ICT and system change projects, the ongoing approach to Better Outcomes Better Lives in adults and leadership work from Children's on Our Year for Manchester children and young people and planned work to ensure Manchester leads the way as a UNICEF Child Friendly City.

### **Risks and Issues Arising from Audit Work**

- 2.11. Despite these strengths the Council is aware of challenges and issues that remain to be resolved; some of which are within the Council and some of which require further support or engagement from national, regional or local partners. A key strength of the Council is awareness of these challenges and the willingness to take steps to acknowledge and address them.
- 2.12. Mental health services for Manchester residents have been severely impacted by serious failings of Greater Manchester Mental Health Trust. This has also had a direct effect on mental health services commissioned from the Trust by the Council and alongside a number of other Greater Manchester Councils, the Director of Adult Social Services and SMT have been supporting Trust leadership to stabilise and secure a programme of improvement. Strengthening governance, performance and the robustness of systems are some of the areas where the Trust must improve in 2023/24.
- 2.13. Housing Services has been a focus of organisational improvement in 2022/23 with serious issues raised around safety, performance and workforce matters. National concerns over building safety (damp and mould, fire risk management) and residents (consumer regulations, repairs, rents) and the management of repairs and voids have all been challenges for the Council. The scale of this challenge was sufficient to cause the Council to write to the Housing Regulator to explain issues that needed to be resolved. This has helped inform a programme of transformation and improvement with clear senior focus and remit to ensure improvement in all of these areas, but this focus needs to be sustained and capacity secured to ensure that planned actions for improvement can be delivered.
- 2.14. As well as residential property, concerns have been raised around operational premises in respect of statutory compliance; in particular the process for fire risk assessment and management and for overseeing asbestos management planning. A programme of work is underway and will continue in 2023 to address backlogs in assessments and ensure that actions required to achieve compliance are being addressed.
- 2.15. Despite the strong budget setting, monitoring and financial management systems there have been risks reported in the year in respect of financial reporting and payments. The external audit of the accounts for 2020/21 and 2021/22 remain outstanding due to issues in the application of financial reporting and auditing standards that are impacting the audit of local authority accounts across the country. Estimates and valuations are a key focus and whilst there is no bottom-line impact on the Council finances these issues have impacted capacity in the finance team and the Council's standards of transparent, financial governance as the accounts for these years, in common with most local authorities, remain open.
- 2.16. Audit work on adults' payments, foster care payments and imprest accounts have all highlighted control issues that have resulted in delays or errors in payments. In response to these concerns a cross Council project has been established with a remit to address concerns, some of which is likely to include changes to roles, responsibilities systems and processes. These issues also



highlight the need to ensure that system development or implementation consistently builds in strong oversight and error correction processes at the outset. The issues of systems and data quality have impacted payments but have also been highlighted in other work for example in the Liquid Logic Early Years and Education (EYES) system where data quality and duplications have had a significant impact on service delivery and capacity. These issues around data governance; reporting and data quality; roles and responsibilities; and system ownership and development are a focus of senior management and SMT and will feature in audit work in 2023/24.

- 2.17. 2023/23 has been another year of adverse opinions in many of the schools audited. Financial health checks and a safer recruitment audit have resulted in a large number of limited assurance opinions and concerns have also been raised over the approach to managing related party transactions in some schools. An audit approach to increase coverage of these areas and work alongside the Director of Education to engage with Headteachers and Governors in 2023 is underway.

### 3. Audit Plan Delivery

- 3.1. Assurance activity and counter fraud work has been delivered and has been used to inform the annual audit opinion along with other sources of assurance. The table below provides a summary of audit and assurance activity for 2022/23 based on the approved audit plan and subsequent amendments, which were provided to Audit Committee in the year. Outputs include audit reports, management letters and advice and guidance as well as support to management.
- 3.2. Previous updates as reported to Audit Committee are included within the table below and show progress to completion of the plan. Some audits and discovery reviews were still in the planning phase at year end and a small number have been deferred and are included in the process for developing the 2023/24 audit plan.

**Table 1: Status of Planned Audit Outputs 2022/23 (to 31 March 2023)**

Status	July 2022	November 2022	January 2023	Final 2023
Final	13	31	56	70
Draft	5	5	4	6
Fieldwork Completed	2	3	2	1
Fieldwork Started	6	10	9	3
Planning	12	7	13	5
Not Started	44	25	0	0
<b>Total</b>	<b>82</b>	<b>81</b>	<b>84</b>	<b>85</b>
Deferred			6	8

### 4. Audit Assurance, Risks and Issues

- 4.1. The sections below describe key assurances and issues arising from the annual audit plan and other sources of assurance for 2022/23. Details have

been included in reports to Audit Committee throughout the year and the status of all audit work is shown at Appendix Two.

## **5. Children's Services and Education**

### School Financial Health Checks

- 5.1. We completed five School Financial Health Checks during the year, issuing four as draft or final reports and are currently finalising the last one. All of the reports issued have been given limited assurance opinions.
- 5.2. Areas for improvement have been common across schools in 2022/23 and in comparison to previous years. Recommendations have focused on purchasing arrangements, including the use of quotations and tenders for higher value purchases, and the operation of controls over debit cards. Whilst some issues were raised around the handling of cash or completion or reconciliations in some schools, the purchasing concerns were a common theme and was the focus of a detailed schools assurance report to Audit Committee in the year.

### School Financial Health Check Follow ups

- 5.3. Follow up visits and reports were completed at eight schools who had previously received limited assurance opinions, to seek assurance over progress in reducing their exposure to risk. Overall we saw positive progress made in addressing issues and implementing actions with all but one school at least partially reducing the exposure to risk. We have since revisited all schools and seen further positive progress albeit the pace of improvement could be improved in some.

### Schools Financial Value Standard

- 5.4. In the last 12 months we submitted the 2021/22 and 2022/23 Schools Financial Value Standard (SFVS) Chief Financial Officer (CFO) Assurance Statements.
- 5.5. For 2021/22 we confirmed that we had received SFVS submission from all 103 maintained Manchester schools, although seven of those were considered incomplete. For 2022/23 we also had to chase for 16 of 108 returns to be able to submit the statement. Those that were incomplete were either not signed by the Chair of Governors or did not have answers for every question. Completion of the SFVS is mandatory and we had to follow up with these schools and obtained the additional information that was needed. These returns provide some assurance, and we were satisfied that reasonable remedial actions had been proposed to address development areas. We remain concerned however that for some it is perceived as a bureaucratic process and does not appear to actively engage governors in exploring the strengths of school governance and control arrangements.
- 5.6. The main areas for improvement identified by schools in 2023/23 that are a

concern and where additional actions are required were as follows:

- Lack of an up-to-date business continuity / disaster recovery plan (14)
- Lack of budget balance at reasonable level and clear planning of using any money for any in hold balances (12)
- Lack of a realistic, sustainable, and flexible financial strategy (11)
- Lack of Governing Body opportunity to challenge and review contracts (10)

5.7. In the SFVS returns schools must also declare related party transactions and we are required to review those over £20,000. In 2021/22 there were eight transactions where we sought further evidence to demonstrate appropriate financial controls were in place. For seven of these we were satisfied with the controls, evidence, and mitigating circumstances regards probity. For one we did have to follow up and meet the Headteacher and School Business Manager to agree actions to address concerns over a contract that involved a family member providing services to the school. For 2022/23 we also raised concerns over a contract for agency staff and two examples of payments for office furniture / equipment that presented conflicts of interest. In all these cases we have raised concerns with school leadership and where appropriate with Governors.

#### Safer Recruitment in Schools

- 5.8. The thematic audit of safer recruitment in schools provided limited assurance over schools' compliance with the Council Safer Recruitment Policy. Limited assurance opinions were issued at 7 of the 10 schools visited with the remaining three receiving reasonable assurance. We issued reports to the individual schools, summarising recommendations and agreeing action plans for their specific issues.
- 5.9. Our analysis showed consistent themes relating to a lack of sufficient documentation being retained to support checks recorded in the Schools Single Central Record (SCR) and a lack of consistency between supporting records and the SCR. As a result, schools were unable to demonstrate that safer recruitment checks had been fully completed. These themes indicated gaps in knowledge around safer recruitment requirements so as well as recommendations to individual schools we also recommended action from the Local Authority to offer further support and guidance to complement the current training offer for schools and to re-emphasise compliance requirements.

#### School Assurance 2023/24

- 5.10. All audit work in schools is shared with officers as part of working groups within the Council that ensure focus and help target support for improvement. This was highlighted in a report to Audit Committee in the year and concerns were raised by Members given the number limited assurance reports from audit work and concerns from the audit of safer recruitment. Following this and given the issues raised in the year Internal Audit have agreed actions to

increase school assurance capacity for 2023/24 and have proposed a plan of engagement with the Director of Education to engage with Chairs of Governors and Head Teachers and raise awareness in relation to governance, ethics and standards over the next 12 months.

#### Children's Supervisions

- 5.11. An audit of Children's Services Supervisions provided a reasonable assurance opinion over the arrangements in place. The audit confirmed that there were clear and concise policy and procedural arrangements in place and that supervisions were taking place regularly. Interviews with social workers and managers confirmed that the supervision process was considered a positive one for all parties. Areas for improvement related to the recording and follow up of individual actions identified during supervisions, to agree a consistent approach to recording case discussions and ensure the implementation of the revised approach to Quality Assurance.

#### Supporting Families

- 5.12. Reasonable assurance was obtained that local systems and processes designed to support the delivery of the Supporting Families Programme were sufficient to demonstrate compliance with the key requirements of the programme and the updated Greater Manchester Supported Families Programme standards. This is an annual assurance requirement reported via the Greater Manchester Combined Authority.

#### Early Years Casework Management

- 5.13. The audit of Early Years Casework Management concluded with reasonable assurance that case management was dealt with in accordance with policies and procedures. Staff had bought into the use of Liquid Logic for case recording with use embedded across the service and workers clear on its benefits in supporting them in their work. Workers were consistently using Liquid Logic for case activity including for recording outcomes and decisions in case activity and overall activity was completed on a timely basis.
- 5.14. We did raise a number of recommendations with a couple of these rated as significant priority. Procedures and process flows did not fully cover management oversight and challenge arrangements; documentation of approval for key decisions, actions and challenge was limited on Liquid Logic; and there were some small areas of inconsistency of recording. It was positive to note in management responses that prompt actions were being taken to the two significant risk recommendations with both reported by management as implemented.

#### Ofsted Improvement Plan Governance

- 5.15. In March 2022 Manchester Children's Services had an Ofsted inspection. The inspection judged Children's Services to be 'Good' stating "services had significantly improved since the last inspection in 2017". A 'Good' judgement

was received in three of the four judgement criteria, with a 'Requirement to Improve' judgement on "experiences and progress of children who need help and protection".

- 5.16. An action plan was developed in response to the findings and we completed a desk top review of the governance for delivery of the improvement plan. The draft report assured that effective governance, monitoring and challenge arrangements have been developed to support delivery of the improvements recommended by Ofsted. Clear actions have been identified and included in an Ofsted Implementation tracker document for each area of improvement identified in the report, including clear ownership, timescales for implementation and confirmation of progress. Regular monthly oversight and challenge of the tracker is evident by the Ofsted implementation group as well as six monthly updates and challenge from Children's Leadership Team and periodic updates provided to Young Peoples Overview and Scrutiny Committee.

#### Foster Care Payments

- 5.17. Duplicate payments to foster carers had been identified by the Looked After Children and Families teams and through the Internal Audit team over the last 18 months. Following an audit investigation review into four cases with a total value of £72k, a system audit was undertaken to explore why overpayments were occurring and identify if these were the result of specific errors or system weaknesses.
- 5.18. A draft audit report has been issued providing limited assurance that current arrangements are effective to prevent foster care overpayments. Testing of the whole population of payments did identify a number of duplicate and overpayments that required action. The main concern leading to the limited opinion is the lack of standard, system reporting at the time of payment to give assurance over the accuracy of payments and to identify any potential overpayments or duplicate payments. Checks are completed by staff to try to identify errors, but this is time consuming, are based on knowledge of cases and are not supported by any reporting. There remains scope for overpayments at the point of entry of the CPLI (Purchase Order) and where additional temporary payments are added. These risks are particularly prevalent where there is a lot of instability in care with regular changes to carers, therefore regular reporting and monitoring of the accuracy and validity of payments is essential to pick up such errors to prevent significant overpayments building where errors occur.
- 5.19. In response to this report the Strategic Director has immediately commissioned a task and finish group with appropriate representation from across the Council (as the solution will require input from officers in ICT and other services) to take forward actions to respond to the concerns raised.

## **6. Adults Services and Public Health**

### Adult Social Care: Contract Governance

- 6.1 Limited assurance was provided over the framework for contract governance across adult social care (ASC). Although we identified robust arrangements in some areas, particularly in relation to the framework for providing assurance over the quality-of-care provision where our audit opinion was positive, there were considerable gaps in some of the key areas of governance, risk and control over ASC contracts.
- 6.2 We acknowledge challenges experienced by the service resulting from NHS structural changes and changes in the delivery function and recognise that the service is on an improvement journey. Nonetheless, our work identified gaps in assurance particularly around current available resource within the Contracts Team which we considered was limiting the active progression of identified improvements. The reinstatement of existing capacity within the team that had been focused on reactive work over the last 18 months should help to build the improvements acknowledged by management as being required to strengthen the framework and governance around contracts.
- 6.3 Improvements in monitoring arrangements were needed over aspects of the contract which fall outside of quality: for example social value, carbon reduction, financial resilience and performance indicators (not related to quality). As a result, we made recommendations to help focus management attention and these were agreed by and are actively being taken forward.

#### Direct Payments

- 6.4 The initial plan for direct payments had been to complete a system audit but a review was commissioned from the Greater Manchester Health and Social Care Partnership (GMHSCP) of the Council's approach to Direct Payments and Individual Service Fund (ISF) arrangements with work undertaken in June / July 2021. We agreed with management a full audit as planned would be a duplication so we would assess assurance provided by this work.
- 6.5 The work concluded that Manchester was underutilising direct payments as an offer to provide choice and personalisation of support to citizens. It identified areas for development and 19 recommendations for improvement. to be integrated into the Better Outcomes Better Lives (BOBL) programme.
- 6.6 We have reasonable assurance that this service improvement plan for direct payments is comprehensive and clear and have agreed to revisit this area once the recommendations made have been addressed; to provide independent assurance over the direct payments scheme, following the changes.

#### Multi Agency Safeguarding Hub (MASH)

- 6.7 We issued a positive assurance report in relation to the Adults MASH. Two recent pieces of work had been undertaken in this area: an external review of Manchester's Multi Agency Safeguarding Partnership in December 2021 (including both Adult's and Children's Services); and a baseline review of Manchester safeguarding arrangements completed by Impower as part of the

process to include a safeguarding transformation programme for Adults in the Better Outcomes Better Lives framework.

- 6.8 Assurance was obtained from the work completed and clear actions taken to review safeguarding and identify areas for development with plans being in place to deliver improvements through the Better Outcomes, Better Lives framework.

#### Management Oversight and Supervisions

- 6.9 We provided reasonable assurance over arrangements in place to ensure sufficient and appropriate supervision and management oversight arrangements in Adults Services.
- 6.10 There had been significant progress made in developing and embedding supervision arrangements since the last audit in 2018 with a much greater level of consistency and completion that previously reported. We did identify some areas where arrangements could be further strengthened to ensure the timeliness of supervisions, develop management oversight arrangements and promote consistency in how casework discussions are documented and evidenced in supervisions.

#### Adults Payments

- 6.11 An audit of Adults Care Package payments focused on controls over payments for packages of care and how these were processed through the adult social care system (Liquid Logic) and the associated finance system (Controcc). This has been a long-standing challenge and a lot of work has been done across a number of services within the directorate and with ICT and finance colleagues as part of a Resolver Team to try and address issues over backlogs and payments.
- 6.12 We were only able to provide limited assurance that there was an effective strategy to address the reconciliation of 'orders' for care and related invoices. This meant that there was a reasonable likelihood that unprocessed payments would continue to accrue; or at best not be reduced. The unreconciled invoices balance had been steadily increasing since the Resolver Team finished a task and finish programme of work and the report (in September 2022) noted that this had increased to £1.7m. In addition to the financial impacts, we raised concerns over the absence of integrated guidance and expected service standards, and a lack of management information available to identify where issues in the process are originating.
- 6.13 At the time of the review we supported management's decision to focus on changes to enable a permanent solution to be embedded to prevent future backlogs rather than a continuation of a Resolver Team with a dedicated purpose of addressing unreconciled items as they arose. However, this change of focus resulted in the increase in unreconciled invoices. We acknowledged that a balance needed to be struck between identifying and implementing a

permanent solution and continuing to respond to existing and emerging reconciliation issues.

- 6.14 We are aware that since our audit was completed the value of unreconciled invoices has continued to rise. Work continues around addressing issues with a new Controcc Board currently overseeing a number of improvement actions. Some steps have already been taken to try and address errors and backlogs that arise from a number of factors. In the long term this is likely to need further system changes.

#### Adaptations

- 6.15 We completed an audit of housing and supportive adaptations with limited assurance provided over the Council's ability to deliver the agreed offer to residents across the City. We noted that the Service Level Agreement between the Council and housing registered providers (RPs) had not been updated or reviewed since 2018 and that elements of performance reporting had lapsed with there being no central performance reporting across the adaptations process since the start of the pandemic. These factors and the absence of defined and consistent end to end processes and the availability of contractors had impacted on timeliness and challenges in ensuring the quality of works.

#### Adults Services Audit Recommendations

- 6.16 A recommendation in respect of safeguarding and casework reconciliation from an old audit of Mental Health had been outstanding for 34 months. In our last recommendation monitoring report to Audit Committee in March 2023 Members agreed to refer this recommendation back to management to include the risk around systems in a wider Greater Manchester Mental Health Trust (GMMH) improvement plan being developed with the support of the Council and other partners.
- 6.17 Whilst the systems and process change proposed as part of the audit recommendation would have provided a more efficient and effective process and should have been addressed on a timely basis, management and Internal Audit agreed that work with GMMHT needs to focus on wider and more urgent areas for improvement and accepted the ongoing exposure to risk relating to the outstanding audit recommendation at this stage.

## **7 Corporate Core**

### **Finance Systems**

- 7.1 Core financial systems and processes across the Council remained largely unchanged in 2022/23, although services were impacted by the continuing requirement to administer government support in relation to Covid19 recovery, resettlement schemes, energy bill costs and the rising cost of living generally.
- 7.2 Budget setting and management arrangements continue to be strong,



especially in relation to the revenue budget which is set using a thorough established process supporting relevant and timely input from residents, members and officers. Detailed capital and revenue budget reports were subject to review at Scrutiny Committees before being finalised at Executive in February 2023 and approved at Full Council. Regular budget monitoring updates are presented throughout the year.

- 7.3 Delivery of the capital programme has been impacted by the wider national economic conditions, impacting contract prices and affordability. However officers have explored the financial impact of these and presented findings to Executive and the Resources and Governance Scrutiny Committee for their consideration. The impact of inflation and of demand on capital resources, especially given two major schemes in progress (Factory and Our Town Hall) and the ongoing investment and statutory compliance requirements across the operational property estate remains a risk and area of focus. Despite these challenges, audit work on the Factory and Our Town Hall has provided positive assurance over the approach to the management of work packages.
- 7.4 The Council continues to be impacted by sector-wide delays in signing off local government accounts, linked to a mandatory increase in the focus and scope of audit work on valuations and estimations as well as external audit capacity. The 2020/21 accounts remain subject to audit sign off although the auditor was able to feedback on a small number of areas for improvement which they considered to be non-material. We undertook a short piece of work to confirm that these improvements had been actively considered and implemented at the earliest possible opportunity. These delays and issues over valuation of assets are now impacting the 2021/22 sign-off and 2022/23 accounts preparation process. Updates on these issues have been presented regularly to Audit Committee during the year and a plan for completion has been developed.
- 7.5 We undertook a review of Council Tax Discounts and Exemptions, providing reasonable assurance over compliance with procedures in this area. We confirmed that eligibility for discounts and exemptions were assessed prior to the award of any discount or exemption but recommended that managers establish a timetable for ongoing review of continuing entitlement, to clarify expectations in this area and ensure that this critical area of work can be effectively resourced over time.

#### Payments

- 7.6 We finalised a report on the process for vendor (supplier) creation and amendment in the finance and HR system (SAP), providing limited assurance over the design of controls in this area. This was a known area of risk for management and the work identified opportunities for improvement in standardising the approach to validating changes and in recording and storing the detail of checks performed. Managers responded positively to the recommendations and are working to deliver these in accordance with agreed timescales. We will carry out a follow up review in 2023/24 to confirm that the planned improvements have been implemented.

- 7.7 Internal Audit have raised concerns throughout the year over payments to foster carers, backlogs in payments for adult social care support and in the lack of strong controls over the operation of imprest accounts in children's services. All of these are limited assurance areas and one of the key areas of focus for audit planning and follow-up in 2023/24.
- 7.8 We commissioned a further cost recovery exercise, to identify and recover refunds that can be obtained as a result duplicate payments, supplier credit notes, and classification of VAT. This had returned £213k of funds back to the Council at the end of March 2023. The review provides information on the source of each error and this is being used to evaluate any trends or required control improvements. Some of the costs recovered for example are for credit notes that are held to offset potential future spend. Rather than hold these credit notes and risk them lapsing or being overlooked we are encouraging management to seek refunds and only accept credit notes where there is complete confidence they will be applied quickly and in full. This exercise is continuing into 2023/24.

### **Commissioning, Procurement and Contracts**

- 7.9 The operation of the Due Diligence Working Group, Major Contracts Review Board and Commercial Board provide a positive level of assurance over the procurement and contract monitoring arrangements over Council contracts. The introduction of the new contract management system in 2023 should further support oversight and reporting of Council contracts although we recognise this will take time to embed and there may be limitations over the data that can be captured for legacy contracts.

### Our Town Hall - Management of Work Package Delivery

- 7.10 The final report provided substantial assurance over the arrangements in place to ensure the effective management of the Our Town Hall stone repair work package. There were established processes and controls to manage progress and positive ways of working between the Council's appointed quantity surveyor and the management contractor was evident from audit testing.
- 7.11 There was good evidence to support variations and payments; with cost divergence and monitoring processes having improved since our last review in July 2021 with the financial position of work packages reviewed and reconciled more frequently. We made two moderate recommendations over interim valuations and reiterated quality assurance processes required of the management contractor ensuring records reflect the commercial position.
- 7.12 To gain assurance over the project on an ongoing basis we will continue to liaise with the Project Director to complete reviews over the remaining project and continue to review project board papers. This remains an important area of focus for management, finance and audit given the pressures on work packages and on budgets linked to inflation and wider supplier chain risks.

### Social Value Monitoring

- 7.13 A reasonable assurance opinion was provided over Council-wide social value monitoring. It was clear that the embedding of social value has progressed positively and there were examples of it being fully integrated into contracts and associated monitoring arrangements. The audit noted that the extent of this monitoring and challenge of outcomes continues to vary and work is needed to bring some services up to a consistent, expected standard.
- 7.10 The use of the social value fund and of banked hours were areas recommended for further focus to ensure the Council maximises the contributions committee by contractors. It was not possible to readily determine an overall position in terms of social value benefits and outcomes received to date, but it is expected that the new contract management system should help tracking of contractors' social value and environmental commitments.

### Contract Risk Management

- 7.14 We provided a reasonable assurance opinion over the Council's arrangements for responding to contract risk. We were satisfied that the current financial and macro-economic risks were known, and mitigations were being strengthened to respond to these risks. Regular reporting to the Commercial Board, scrutiny committees and SMT provided transparency and intelligence to guide action. We welcomed the oversight role provided by the Major Contracts Oversight Board and the priority afforded to upskilling staff and the new contract management system. This process has been further strengthened by the Due Diligence Working Group and the support to management in assessing the financial resilience of contractors and partners.

### Factory Project: Management of Work Packages

- 7.15 Reasonable assurance was provided over the arrangements to ensure the effective management of the selected work packages for the Factory Project.
- 7.16 There was good evidence to support the review of payment applications made by the works contractors with supporting schedules and documents to support variations and changes, with payments made on time. We made recommendations to retain evidence of decisions and agreement of rates; and to gain assurance that confirmatory signatures are obtained for documents including inspection and handover sheets.

## **Information and ICT**

### Information Governance

- 7.17 The Head of Audit and Risk is a Deputy Senior Information Risk Owner and attends the monthly Corporate Information Assurance and Risk Group (CIARG) which is a sub-group of SMT. This group provides positive assurance by monitoring a range of key performance indicators relating to

data quality and information management and receives regular updates on security from the Head of Cyber Security and Compliance. The group received and acts on updates on phishing emails blocked, firewall events, vulnerabilities, and patching compliance as well as overseeing data protection and cyber security training. A key focus this year has been on cyber and on actions to improve timeliness of responses to data subjects and under freedom of information legislation as well as on data quality.

- 7.18 CIARG has also overseen a comprehensive series of Data Governance Networking Events for Data Governance Leads across the Council. This included sessions to increase understanding of the various types of data incidents, and how to record these timely and correctly, and treat them. Having a trained, competent, and extensive network such as this provides positive assurance that data is controlled, policies are understood and followed.
- 7.19 Internal Audit was involved with work to refresh the Data Management Policy. This included developing a set of Data Quality Standards to support use of data across systems, allowing the Council to collect consistent, useable, and reliable data at source. Other work included refreshing the Information Asset Inventory and decommissioning Lotus Notes containing historical emails, with a view to then embedding an effective retention and deletion policy for emails.
- 7.20 The importance of data quality has been emphasised by issues arising from the Liquid Logic system over the past 12 months. As well as the challenges around payments in adults and children's services, some of which relate to incorrect data entry and lack of reporting, there has also been a range of issues relating to the education and early years (EYES) aspects of the system. Data sets have been consolidated from previous legacy systems and led to very high numbers of duplicate records that have impacted on key processes such as school admissions. A lack of reporting functionality has compounded matters and had a negative impact on the quality of data and ability to generate required reports for management decision making and onward reporting to Government and other agencies. A group led by the Director of Education involving Children's Services, risk management, ICT, performance and intelligence is taking forward actions to address these issues in 2023.
- 7.21 We issued an audit report in respect of the Council's arrangements for the provision of privacy notice information. This provided reasonable assurance noting that there was room for improvement in the accessibility and timing of provision of privacy notices.

### ICT

- 7.22 In 2022/23 the Council approved a new Digital Strategy and a Digital & Design Authority Board was established as a key forum for engagement and strategic decision making.
- 7.23 SMT have continued to focus on cyber risk and have agreed ongoing investment in ICT security as well as work to plan for potential impacts of a

cyber incident. Whilst the prevention and detection of threats is critical and remains a focus of ICT and an area of growth approved in the 2023/24 budget, work is also progressing on a refresh of business continuity plans to confirm the steps that would be taken should the Council experience a catastrophic loss of data or ICT access. This remains a key risk and ongoing area of focus given the potential ramifications which have been described in public reporting of incidents, for example in Hackney and more recently with the loss of the SAP system in Glasgow that left the Council unable to process payments.

- 7.24 An ICT Vulnerability Management audit gave reasonable assurance that key risks were being managed effectively. A key component of ICT security is the effective management of vulnerabilities as any flaws or gaps in the ICT system can be exploited to weaken security. Vulnerability management includes the identification, analysis, and remediation of such issues through both patching and effective change control procedures.
- 7.25 The audit confirmed procedures and policies were in place and operating as part of a robust vulnerability management system, with work ongoing to replace old or legacy equipment that would present potential vulnerabilities. We were assured that, in the interim, extended support for assets was in place and that steps were being taken to isolate them from the wider estate as far as possible.
- 7.26 In May 2022 the Council was successful in reconfirming its annual certification to sign the Code of Connection and consume services via the Public Service Network (PSN). Internal Audit provided assurance that the information presented in the PSN return to be submitted to Government Digital Services (GDS) at the Cabinet Office, is accurate and represented a fair view of the Council position regards PSN compliance. This accreditation was re-affirmed following submission in May 2023.
- 7.27 An audit of ICT Hardware Asset Management arrangements concluded with reasonable assurance over the design and operation of controls over ICT assets. Internal Audit have also attended the End User Device project board that has overseen the replacement of legacy equipment and have worked with colleagues in ICT to support the approach to roll-out new and more secure devices across the ICT estate.

### **Other Core Assurance Work**

#### Covid19 and Cost of Living Support Work

- 7.28 The Covid19 Business Grants schemes, and associated Post Payment Assurance exercises as mandated by Government (BEIS) are now complete, and we have received confirmation that the Council is not required to provide anything further in this respect. However, work continues to recover debt in relation to a small number of awards that were made erroneously or because of fraud. The total value of funds yet to be recovered is less than 1% of the total funds administered by the Council, which is significantly lower than national estimates published by BEIS. All Councils are expected to follow a

national process for administration of these debts, which can be referred to Government if local recovery action is not successful. We are working with finance and revenues colleagues to agree an approach that meets the requirements of Government and have referred nine cases to Government for consideration.

- 7.29 Work to investigate and prosecute cases of fraud continues and will be covered in the Annual Counter Fraud report. There are no cases or issues that indicate a systemic issue or concern over Council systems of control.
- 7.30 Following the conclusion of the Covid19 support schemes, Government focus shifted to resettlement schemes and the provision of support for residents in relation to rising costs of living. Internal Audit provided ongoing advice and support in respect of the local design and implementation of the Council Tax Energy Rebate schemes, the Energy Bills Support Schemes and the Household Support Fund. The Department for Levelling Up, Housing and Communities (DLUHC) have confirmed that a full reconciliation and post payment assurance programme will be commissioned for these schemes in due course. We anticipate that this will require further Council resource and audit assurance activity in 2023/24. Overall the response from officers and as agreed by Members was positive and this ability to respond to urgent, non-core demands to meet City wide and local needs as part of multi-disciplinary teams is indicative of positive leadership, management and of the OurManchester behaviours in action.

#### Other Audit Work

- 7.31 The Council's response to climate change remains a critical area of focus. In 2022/23 Manchester's Climate Change Action Plan (CCAP), and the team who produced it, won the 2022 Public Finance award for sustainability and social value. We completed a review of the reporting of delivery of actions identified in the CCAP, providing reasonable assurance in this area.
- 7.32 Officers from across the Council, including Internal Audit, were involved in a refresh of the Council's Code of Governance and in review of the Council Constitution. This provided positive assurance over the mechanisms in place to ensure core governance documents remain valid and up to date; and in the case of the Code have been updated to make them more accessible to residents and members of the public.
- 7.33 During 2022/23 Internal Audit received a small number of referrals in relation to alleged inconsistencies in the administration of recruitment exercises. Whilst these were specific findings from audit review into these to suggest there may be a need to strengthen the consistency of approach, so an audit of recruitment is proposed in the 2023/24 audit plan.
- 7.34 We provided reasonable assurance over the arrangements in place to ensure the effective selection and management of projects for the Council's Asset Management Plan (AMP). Whilst the strategic priorities of the AMP were clear we reported that the rationale for inclusion of individual schemes could be

better evidenced and made recommendations to strengthen and clarify governance so that the role and remit of the various groups was effectively aligned to ensure sufficient scrutiny, challenge and oversight of the AMP.

- 7.35 Although some reporting was evident this could be strengthened to increase visibility of the planned AMP schemes and to formalise the review of risk mitigations to ensure they remain sufficient to address identified risks.
- 7.36 We successfully completed required grant certification activity in respect of the following grants and in all cases we were provided with sufficient evidence to enable certification of the grant, although record keeping, depth and quality of evidence varied across the schemes. Where necessary we have fed back to responsible officers on required improvements:
- Disabled Facilities Grant.
  - Contain Outbreak Management Funding.
  - Public Sector Decarbonisation Scheme (Phase 1).
  - Test & Trace Support Scheme.
  - Protect & Vaccinate Grant.
  - Zero Carbon Cities.
  - Area Based Collaboration in Cities.
  - Highways Capital Maintenance (Pothole Fund).
  - Traffic Signals Maintenance Funding.
  - Biodiversity Net Gain Grant Certification.

## **8 Neighbourhoods**

### Homelessness - Review of Rents Team Core Processes

- 8.1 Reasonable assurance was provided over the approach and new processes that had been developed by the Homelessness Rents Team. This had followed centralisation of the service and new system implementation, so it was not a surprise that areas for further improvement were identified in the audit. It was evident that the objectives of the team were clear as demonstrated through discussions and as set out in the service plan and operational procedures. The new system was also a positive development but the reactive nature of much of the work and volume of cases had impacted the ability to progress other areas for improvement such as management information and reporting.
- 8.2 We emphasised the importance of this management information to support decision making: to help manage and monitor activity levels, evaluate the work undertaken by the team, provide an overall position of cases and highlight trends/areas requiring further work or scrutiny.

### Housing Services: Empty Property and Voids

- 8.3 A range of concerns have been noted across housing services during the year. These include a self-referral to the housing regulator and the establishment of an improvement board and programme led by the Chief Executive and Strategic Director of Neighbourhoods. An improvement plan has been agreed and at the

early stages of delivery with a key focus on statutory compliance and remedial actions across a range of areas including fire risk management, damp and mould and repairs. This progress has been constrained by resources and difficulties in securing appropriate officers to lead, manage and deliver on a wide range of improvement activities. Concerns over contact management and monitoring arrangements have also been referred to Internal Audit and are part of the improvement plan.

- 8.4 In terms of the follow up review of empty properties and voids, Internal Audit confirmed that three significant priority recommendations from the original audit had been implemented, with one other classed as being partially implemented. This was as positive progress and whilst some actions remain this does represent a significant reduction in the exposure to risk. Given the scale of other risks and issues across Housing Services it was reassuring to be able to confirm the actions taken to respond to this audit.

#### Damp and Mould in Council and Private Rented Sector Homes

- 8.5 In 2020 two-year-old Awaab Ishak tragically died of a respiratory condition caused by prolonged exposure to mould in Rochdale. This case focused attention on the responsibility of all registered providers to ensure that the homes they provide are well-maintained and of a decent standard. The Regulator of Social Housing (RSH) wrote to all providers requiring assurance over systems in place to identify and deal with damp and mould issues in their homes. The response to this request confirmed the Council has processes in place to respond to the complaints of damp and mould across the City.
- 8.6 To provide additional assurance Internal Audit proposed audits focused on Council housing and on compliance and enforcement activity in respect of the private rented sector.
- 8.7 It was evident in planning that more needed to be done in respect of Council-owned and managed housing as a lack of capacity in surveying teams was affecting the ability to respond to complaints and undertake remedial action on a timely basis. An audit would have resulted in limited assurance so our focus was to confirm that the need for improvements was understood and the risk had been reported and escalated to SMT and the Housing Advisory Board.
- 8.8 The audit of Council arrangements to identify and address risks relating to damp and mould issues affecting the private rented sector resulted in reasonable assurance. We confirmed that there was strong governance with policies and processes in place, roles and responsibilities clearly defined and systems for the recording of cases and agreed actions. Our primary observation related to the closure of cases where tenants did not respond to follow up requests or clarifications issued by the team. Whilst we acknowledged that this was a pragmatic response and in line with current procedure, management agreed to review the approach to assess and minimise the risk that vulnerable tenants or those less able to provide information might not access support required to address genuine concerns.



### Pest Control

- 8.9 Substantial assurance was provided over the arrangements in place to respond to pest control treatment requests. The service is income generating, conducts over 20,000 visits per year and was found to be operating effectively. There were numerous areas of good practice found, including maintenance of central records for training, annual review of fees and charges and consistency in the approach to service provision.
- 8.10 From a sample of 81 domestic visits we found the majority to be compliant with agreed procedures and it was clear what action had been taken in all cases. Most of the minor service inefficiencies related to weakness in the pest control case management system which is due to be decommissioned later this year.

### Youth and Play Provision Transition

- 8.11 We also reported substantial assurance for the transition of the commissioning of Youth and Play Provision from Young Manchester to the Council. Overall we confirmed the transition occurred smoothly with no disruption to service or the young people accessing youth and play provision. The audit confirmed strategies, timelines resources had been well established to support a successful transition and future delivery of priorities with recommendations made to ensure this momentum is maintained in the new commissioning process.

### Local Investment Fund

- 8.12 We carried out a short review of the newly established Local Investment Fund, providing substantial assurance over the design and proposed administration arrangements for the fund. The suggestions we made were incorporated into the scheme's design before it was finalised.

## **9 Growth and Development**

### AVRO Hollows Tenant Management Organisation (AHTMO)

- 9.1 Following concerns raised by AHTMO and by Strategic Housing we undertook an audit that resulted in limited assurance over the management and discharge of operational housing functions by AHTMO. We were concerned that records of repair requests were not all consistently logged upon receipt and that, at the time, the Modular Management Agreement detailing service expectations and codifying the relationship between AHTMO and the Council had not been formally agreed.
- 9.2 This agreement has since been signed but there have continued to be conflicts and a wide range of issues of concern raised with Internal Audit by officers within the Council, residents and the TMO. These have been confirmed to the Chair of the TMO Board and to Strategic Housing along with suggestions as to how these might be addressed. There have been some

progress in the Council and TMO working together to address risks but Internal Audit is not assured at this stage that actions recommended have been taken forward in full so this remains an area where we will continue to support the Head of Strategic Housing in 2023/24.

### Building Control

- 9.3 We issued a limited assurance opinion for arrangements to manage complaints or matters related to unauthorised building work. With the high levels of market demand for skills in building safety (a challenge also impacting Housing Services) the service has been unable to maintain required staffing levels. This has meant that priority has been given to the review of legitimate and authorised work as well as the highest risk cases such as dangerous buildings. The audit highlighted that a result of these capacity shortfalls some cases were not investigated at all. There was also a need to develop clear measures of activity and log referrals so that the scale of demand and resource requirements could be better understood and addressed.
- 9.4 The audit noted that the service is in a period of change and there are a number of improvements planned including a new ICT system for managing cases and the update and revision of the Enforcement Policy. As such we consider there is a positive direction of travel for the service which should facilitate improvements to the core processes that were identified in this review.

## **10 Counter-Fraud and Investigations**

- 10.1 Information relating to counter-fraud and investigations for 2022/23 and an analysis of the effectiveness of activity is provided in the Annual Fraud Report to SMT and the Audit Committee. The impact and outcomes of counter fraud activity is considered in the Annual Opinion to assess any impacts which may indicate concerns about the effectiveness of the control environment. There are no such matters of concern that impact the opinion for 2023/23.
- 10.2 The focus of counter fraud activity has returned to the investigation of fraud referrals in relation to Housing Tenancy, Right to Buy and Council Tax Reduction Scheme. However, as with the previous year, a large proportion of time has also been spent investigating Covid19 business grants and we are seeing these now progressing to successful prosecution.

### **Proactive Work**

- 10.3 The National Fraud Initiative continued with Internal Audit supporting progress on the investigation of data matches with services across the Council. Whilst data matches do not always indicate fraud or error this work enables an assessment of risk and improved data quality and there is continued value in participating with the national exercise. There are no matters from this review to date that present any cause for concern.

- 10.4 Anti-money laundering training has been provided to 259 officers across the Corporate Core with an 84% completion rate at the end of the year. The training focused on developing awareness of money laundering offences and an understanding of the controls required to mitigate the risk of money laundering. This provides assurance that officers considered to hold roles most likely to be exposed to money laundering are aware of how to address concerns/allegations received.
- 10.5 Training and guidance has been provided to officers within Exchequer Services in relation to bank mandate fraud. This remains a common fraud threat so the purpose of the session was to strengthen knowledge and capability within the team, to identify fraudulent requests to change bank mandate details and to enable officers to take appropriate steps to address any concerns.
- 10.6 A fraud assurance assessment for schools was developed and made available for all maintained schools in Manchester. This prompted School Business Manager and Headteachers to self-assess exposure to specific types of fraud risks. Information from this is to be used during 2023/2024 to provide targeted advice and training support to help improve knowledge and awareness of fraud risks and actions that can be taken to effectively mitigate the risks. This will link into the work proposed on engaging Headteachers and Governors on the outcomes of the SFVS and related party disclosures work completed this year.

### **Reactive Work**

- 10.7 The Council's approach to the management of counter fraud risk continued to be actively promoted and reporting of concerns encouraged. The ability of officers, partners and citizens to speak up using a variety of mechanisms was actively used with Internal Audit receiving 48 referrals of potential corporate fraud, theft or other irregularity in the year. Of these 7 were considered whistleblowing allegations made either anonymously or from a named source and have been handled under the Council's Whistleblowing Policy.
- 10.8 Allegations were risk assessed, prioritised and progressed in line with policy. These followed a similar pattern to previous years and included staff conduct, contractor conduct and contract compliance, ethics and behaviour, employee compliance with procedures and theft. This year many allegations and concerns have been increasingly complex and have involved a range of legal, data protection, conduct, performance and grievance issues and as such require a response from senior management and internal audit as well as officers in HROD, legal and finance.
- 10.9 There were only two new referrals in the year, but work continued in the investigation of fraudulent covid business grant applications and invoices totalling £297k were raised during 2022/23 to recover funds that had been claimed inappropriately. Retrospective changes valued at £85k were also made to increase NDR liability owed to the Council.

10.10 123 referrals of fraud and irregularity were received in relation to Council Tax Support, Council Tax Discount, Housing Tenancy Fraud, Right to Buy application fraud and NDR small business rates relief. Action was taken to recover £11k of Council Tax Reduction overpayments and investigation work achieved wider public sector benefits of £66k. House keys were returned in relation to three properties and an amount of £43k attributable to the discount fraudulently claimed under the Right to Buy Scheme was recovered. In addition to this work, efforts by the Counter Fraud Team enabled the recovery of £24k relating to historical small business rates relief inappropriately claimed. Whilst this work clearly highlighted concerns requiring investigation they are not indicative of systematic weaknesses in systems of control.

## 11 Audit Recommendations

11.1 There were 49 critical or significant priority recommendations being tracked by Internal Audit at 31 March 2023. Of these 18 were not due and 23 had been confirmed as fully or partially implemented. There were 8 outstanding recommendations past their due date.

11.2 Overall, this position is positive and does demonstrate that other than in a few areas management are progressing actions agreed in audit reports. Four of these overdue recommendations relate to improvement actions that are being developed in conjunction with a partner (AHTMO) and this has impacted the ability of management to direct and progress activities. Three relate to the Children's Services supervisions audit and an update on these will be provided in the 2023/24 quarter one assurance reporting to Audit Committee in July.

11.3 Audit Committee have been engaged in review of recommendations on a quarterly basis and have discussed in detail those relating to adults services and schools in the year. This positive process of Member review, oversight and challenge remains a strength in the system of internal control and will continue with detailed updates to Audit Committee during 2023/24.

**Table 3: Critical and Significant Priority Recommendations**

Area	Agreed	Fully	Partial	Overdue	Not Due
Adults	15	3			12
Children's	7	2		3	2
Core	12	3	5	1	3
Growth, Dvt & NHoods	15	7	3	4	1
<b>Totals</b>	<b>49</b>	<b>15</b>	<b>8</b>	<b>8</b>	<b>18</b>
<b>%</b>		<b>31%</b>	<b>16%</b>	<b>16%</b>	<b>37%</b>

## 12 Recommendation

12.1 The Audit Committee is requested to consider and comment on the Head of Audit and Risk Management Annual Assurance Opinion and Report 2022/23.

**Appendix One: Internal Audit - Corporate Assurance Map**  
**Based on CIPFA / SOLACE Governance Framework**

<b>CIPFA / SOLACE Good Governance Elements</b>		<b>Key Sources of Assurance</b>
Strategic Planning and Policy	Defining Outcomes	External Peer Review Our Manchester Strategy Reset Corporate Plan Business Planning Process Future Shape Programme
	Sustainable Economic, Social and Environmental Benefits	Social Value Policy Ethical Procurement Policy Anti-Modern Slavery Commitment Climate Action Plan
	Determining and Planning Interventions	Business Planning Budget Setting Process Capital Strategy and Capital Board Adults Improvement Plan and Better Outcomes Better Lives Programme Future Shape Programme Procurement and Commissioning Strategy
Democracy, Decision Making and Accountability	Optimising Achievement of Intended Outcomes	SMT and Executive Performance Reporting Oversight by Scrutiny Committees
	Good Practices in Transparency	Transparency Code Compliance Requests for Information – Overseen by Legal Services and Corporate Information and Assurance Risk Group
	Good Practice in Financial Reporting	Capital and Revenue Budget Monitoring External Audit of the annual accounts Alignment with CIPFA expected practice
	Assurance and Effective Accountability	Internal and External Audit External Inspection (Ofsted, CQC etc) Oversight by Public Scrutiny Committees
Regulatory and Legislative Compliance	Respecting the Rule of Law	Constitution and Scheme of Delegation Member and Officer Codes of Conduct Oversight of Decisions by City Solicitor and Legal Services
Improvement, Development and Transformation	Developing the Organisation's Capacity	Budget Process Linked to Corporate Priorities and Our Manchester Future Shape Programme Technology Improvement Service Level Improvement Programmes
	Developing Leadership and Other Individuals	People Strategy About You Framework HR&OD Oversight of Workforce Planning and Workforce Development MiPeople Online Learning Resources Staff Surveys and Response Senior Leadership Group

<b>CIPFA / SOLACE Good Governance Elements</b>		<b>Key Sources of Assurance</b>
		Workforce Equality Strategy Learning and Development Planning
Performance, Oversight and Scrutiny	Effective Overview and Scrutiny	Oversight of Decisions by City Solicitor and Legal Services and oversight of finance by DCE&CT and Finance Officers Scrutiny Committees
	Robust Control	Codes of Conduct Policy and Procedural Frameworks Annual Governance Framework Significant Partnership Register Audit Committee Internal Audit Plan and Reporting
	Strong Financial Management	Role of DCE&CT and Finance Service Schemes of Delegation Financial Policies Procurement Strategy and Policies Commercial Board Financial Systems and Reporting Assurance from Internal and External Audit
	Managing Risk	Risk Management Strategy and Policy Corporate and Directorate Risk Registers Programme and Project Risk Reporting Business Continuity Planning Framework Civil Contingencies Response Framework Council Resilience Forum
	Managing Performance	Business Planning: Directorate Objective Setting and Reporting Dashboard Reporting: Directorate and Strategic Reporting Reporting to SMT and Scrutiny Committees Senior Officer Performance Framework
	Managing Data	ICT Strategy and ICT Board Corporate Information and Assurance Risk Group (CIARG), D-SIRO network and training DG Leads Policy Framework for Document Retention, Privacy Impact Assessments, Data Sharing, Incident Reporting etc ICT Security including PSN Compliance
Consultation and Engagement	Engaging with Institutional Stakeholders	Business and Corporate Planning Process Our Manchester Reset Role in Core Cities, GMCA and across Health and Care Partnerships Engagement with Manchester Business Community

<b>CIPFA / SOLACE Good Governance Elements</b>		<b>Key Sources of Assurance</b>
	Engaging with Citizens and Service Users	Public Consultations Our Manchester Reset Communications to Residents Northwards Tenants Engagement Equality Impact Assessments Complaints Policy and Process
Ethics, Values and Standards	Demonstrating Integrity	Codes of Conduct Anti-Fraud Policy and Procedure Framework Whistleblowing Framework HR&OD Policy and Procedure Framework Recruitment and Selection (and vetting)
	Commitment to Ethical Values	Social Value and Ethical Procurement Codes of Conduct
	Ensuring Openness	Transparency Code Compliance Publication Scheme Access to Information Procedure Rules Forward Plan of Key Decisions Requests for Information: FOIA, DPA, EIR Public Access to Council Meetings
	Equality and Inclusion	Race Review and Action Plan Equality Impact Assessments Equalities in Business Planning

## Appendix Two: Audit Reports Issued 2022/23

Audit Area	Audit Status	Assurance Opinion	Council Impact
<b>Children's' and Education Services</b>			
Divine Mercy Primary School	Final Report	Limited ●	High
Special Educational Needs (SEND) Local Offer	Briefing Note	n/a	High
Schools Financial Value Standards Reporting to DfE 2021/22	Completed	n/a	High
All Saints Newton Heath - financial health check follow up	Final Report	Partially Implemented ●	High
Lily Lane Primary School financial health check follow up	Final Report	Partially Implemented ●	High
St Philips Primary School - financial health check follow up	Final Report	Partially Implemented ●	High
Collyhurst Nursery School and Children's Centre - financial health check follow up	Final Report	Not Implemented ●	High
Martenscroft Nursery and Children's Centre - financial health check follow up	Final Report	Partially Implemented ●	High
Sacred Heart RC Primary School - financial health check follow up	Final Report	Partially Implemented ●	High
St Margaret's C of E Primary School - financial health check follow up	Final Report	Partially Implemented ●	High
St Bernard's Primary School – financial health check follow up	Final Report	Partially Implemented ●	Low
Safer Recruitment in Schools	Final Report	Limited ●	High
Camberwell Park – Safer Recruitment in Schools	Final Report	Limited ●	High
Collyhurst Nursery – Safer Recruitment in Schools	Final Report	Reasonable ●	High
Lancasterian – Safer Recruitment in Schools	Final Report	Limited ●	High
Loreto High School – Safer Recruitment in Schools	Final Report	Reasonable ●	High
St Andrews Primary School – Safer Recruitment in Schools	Final Report	Limited ●	High
St Johns Primary School – Safer Recruitment in Schools	Final Report	Limited ●	High



<b>Audit Area</b>	<b>Audit Status</b>	<b>Assurance Opinion</b>	<b>Council Impact</b>
St Kentigern's Primary School – Safer Recruitment in Schools	Final Report	Limited ●	High
St Peters High School - Safer Recruitment in Schools	Final Report	Reasonable ●	High
St Phillips Primary School – Safer Recruitment in Schools	Final Report	Limited ●	High
St Wilfrid's Primary School –Safer Recruitment in Schools	Final Report	Limited ●	High
Children's Supervisions	Final Report	Reasonable ●	High
Abraham Moss High School Financial Health Check	Final Report	Limited ●	Low
Early Years - Case management & Recording	Final Report	Reasonable ●	High
Church of the Resurrection School Assurance Health check	Final Report	Limited ●	Low
Supporting Families - assurance to GMCA	Final Report	Reasonable ●	Mandatory
Cyber Security in Schools - thematic review	Advice and Guidance	n/a	High
Foster Care - payments system	Draft Report	Limited ●	High
Oswald Road Primary School Assurance Health Check	Draft Report	Limited ●	Low
OFSTED Improvement Plan – Governance	Draft Report	n/a Assurance report	High
Peel Hall Primary School Financial Health Check	Fieldwork Complete	n/a	Low
OFSTED Improvement Plan - Children Disability services	Deferred	n/a	High
Elective Home Education	Deferred	n/a	Medium
<b>Health and Care (Adult Services)</b>			
Adult Social Care: Contract Governance	Final Report	Limited ●	High
Multi Agency Safeguarding Hub	Final Report	Reasonable ●	High
Direct Payments – Assurance	Final Report	Reasonable ●	High
Adults Management Oversight and Supervisions	Final Report	Reasonable ●	High
Adults Care Package Payments	Final Report	Limited ●	Medium

<b>Audit Area</b>	<b>Audit Status</b>	<b>Assurance Opinion</b>	<b>Council Impact</b>
Health and Care Reform	Advice and Guidance	N/A	High
Manchester Service for Independent Living - Adaptations Delivery Model	Final Report	Limited ●	High
Direct Payments – financial reviews	Planning	N/A	High
Adult Services – Quality Assurance Framework	Planning	N/A	High
Performance Reporting Framework	Deferred		
Health and Social Care: Assurance Framework Review	Deferred		
<b>Corporate Core</b>			
Our Town Hall Work Packages and Payments (2nd tranche)	Final Report	Substantial ●	High
Social Value Monitoring	Final Report	Reasonable ●	Medium
Contracts Risk Management	Final Report	Reasonable ●	High
Information Governance Privacy Notices	Final Report	Reasonable ●	Medium
ICT Hardware Asset Management	Final Report	Reasonable ●	High
ICT Vulnerability Management	Final Report	Reasonable ●	High
Vendor Creation and Amendment	Final Report	Limited ●	High
Council Tax, Exemptions and Discounts	Final Report	Reasonable ●	Medium
Estates Planning - Asset Management Plan	Final Report	Reasonable ●	High
Core Financial Systems – lessons learnt from External Audit	Briefing Note	Advice & Guidance	Medium
Public Services Network (PSN) Code of Connection 2022	Briefing Note	Reasonable ●	Medium
Public Services Network (PSN) Code of Connection 2023	Briefing Note	Reasonable ●	Medium
Core Financial Systems – lessons learnt from External Audit	Briefing Note	Advice & Guidance	Medium
Supplier Prompt Payment Compliance	Briefing Note	n/a	Medium
Grant Certification (COVID): Contain Outbreak Management Fund	Complete	Certified ●	Mandatory
Grant Certification (COVID): Test and Trace Support Payments	Complete	Certified ●	Mandatory
Grant Certification (COVID): Protect and Vaccinate	Complete	Certified ●	Mandatory

<b>Audit Area</b>	<b>Audit Status</b>	<b>Assurance Opinion</b>	<b>Council Impact</b>
Grant Certification: Public Sector Decarbonisation Scheme Phase 1	Complete	Certified ●	Mandatory
Grant Certification (EU): Area Based Collaboration in Cities (ABCitiEs)	Complete	Certified ●	Mandatory
Grant Certification (EU): Zero Carbon Cities	Complete	Certified ●	Mandatory
Public Sector Decarbonisation Scheme Phase 1 – Review of Final Claim	Complete	Advice & Guidance	High
Council Tax Energy Rebate Scheme Delivery and Assurance	Complete	Advice & Guidance	Mandatory
Payment Card Industry - Compliance	Complete	Advice & Guidance	High
Debt Recovery and Write Offs – Covid Grants	Complete	Advice & Guidance	Medium
Factory Project: Work Packages	Draft Report	Reasonable ●	High
Climate Change – Action planning	Draft Report	Reasonable ●	High
ICT - Cyber Assurance	Fieldwork	n/a	High
ICT Application Audit – Liquid Logic (was ICT Project Assurance: Flare Replacement)	Fieldwork	n/a	High
Imprest Account Administration	Fieldwork	n/a	Medium
Carbon Reduction in Contracts	Planning	N/A	High
Finance Systems Assurance Mapping	Planning	N/A	Medium
Joiners Movers and Leavers	Deferred		
<b>Neighbourhoods; Growth and Development</b>			
Traded Services - Pest Control	Final Report	Substantial ●	Medium
Youth Services - new service delivery model	Final Report	Substantial ●	Medium
Local Investment Fund	Final Report	Substantial ●	Medium
Housing Operations – Empty Homes and Voids Follow up	Final Report	Partially Implemented ●	Medium
Compliance and Enforcement – Damp and Mould in the Private Rented Sector	Final Report	Reasonable ●	High
Homelessness Rents Team: Review of Core Processes	Final Report	Reasonable ●	High
Disabled Facilities Grant Certification	Complete	Certified ●	Mandatory
Biodiversity Net Gain Grant Certification	Complete	Certified ●	Mandatory

<b>Audit Area</b>	<b>Audit Status</b>	<b>Assurance Opinion</b>	<b>Council Impact</b>
Grant Certification: Highways Local Transport Capital Block Funding (Pothole Fund)	Complete	Certified ●	Mandatory
Traffic Signals Maintenance Funding	Complete	Certified ●	Mandatory
Housing Services – Damp and Mould in former Northwards properties	Briefing Note	Limited ●	High
Building Control – Unauthorised Building Work	Draft Report	Limited ●	Low
Housing Operations - Consumer and Building Safety Regulations	Planning	N/A	High
Project Assurance - Victoria North & Piccadilly Gardens	Deferred		
Housing Services – Day to day voids	Deferred		

### **Appendix Three: Other Sources of Assurance**

The table below is a non-exhaustive list of sources used to inform planning and reporting of Internal Audit assurance and forms part of the annual audit opinion assessment. This is focused on reports and information that evaluates how governance, risk and control arrangements are operating across the Council. Internal Audit consider how they contribute to assurance over governance, risk and control and specially how they link to the Council's Code of Governance headings as follows:

#### **A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

A1 - Behaving with Integrity

A2 - Demonstrating Strong Commitment to Ethical Values

A3 - Respecting the Rule of Law

#### **B. Ensuring openness and comprehensive stakeholder engagement**

B1 - Ensuring Openness

B2 - Engaging Comprehensively with Institutional Stakeholders

B3 - Engaging with Individual Citizens and Service Users Effectively

#### **C. Defining outcomes in terms of sustainable economic, social, and environmental benefits**

C1 - Defining Outcomes

C2 - Sustainable Economic, Social and Environmental Benefits

#### **D. Determining the interventions necessary to optimise the achievement of the intended outcomes**

D1 - Determining Interventions

D2 – Planning Interventions

D3 - Optimising Achievement of Intended Outcomes

#### **E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

E1 - Developing the Organisation's Capacity

E2 - Developing the Capability of the Organisation's Leadership and Other Individuals

#### **F. Managing risks and performance through robust internal control and strong public financial management**

Other Assurance	Detail	Code
<b>Children Services, Education and Schools</b>		

<b>Other Assurance</b>	<b>Detail</b>	<b>Code</b>
Children's Services Safeguarding – LADO annual report.	Scrutiny Report November 2022 – Local Authority Designated Officer report; overview and analysis of management of allegations made against adults working with children in paid or voluntary capacity in Manchester.	A1 A3
Adoption Counts Annual Report	Scrutiny Report November 2022 – regarding Adoption Minimum Standards re statutory duty. Provides positive assurance over the performance of 3 <sup>rd</sup> party partnership with Stockport Council.	A3 B2
Partnership Governance – Children's Board Annual Report 2021/22	Manchester Health and Wellbeing Board – November 2022 - provides an overview of the work undertaken by the Board and highlights the strategic context in which the Board operates, and the progress made against key metrics in the outcomes framework.	B2 C1 C2
Annual report on Special Educational Needs and Disability	Update to February C&YP Scrutiny Committee on work to support children and progress with actions following the Local Area SEND inspection in and ILACs inspections in 2021/22	B3 D3
Mcr Safeguarding Partnership Annual Report 2021/22	Assurance report to C&YP Scrutiny Committee March 2023 covering 2021/22 adult and child safeguarding activity and overview of decisions and actions taken by the partners. The annual report provided assurance over how the MSP provided an integrated approach with partners.	B D F
<b>Adult Services – Health and Care</b>		
Director of Public Health's annual report	Report to Health and Wellbeing Board on the health and wellbeing of the population, highlighting key issues and actions to address.	C D
Submission of Better Care Fund Plan	Assurance that plan has been developed and shared with stakeholders via the Health and Wellbeing Board.	B2 C D
Review and refresh of the Health and Wellbeing Board	Assurance that governance for health and care in the City and the role of the GM ICS have been reviewed and that changes are being implemented to support effectiveness and ensure the Council complies with statutory duties. In February 2023 Executive updated on the Establishment of Manchester Partnership Board as the Locality Board of Manchester as part of these reforms and confirmed its role. This provided assurance over the clarity and agreement of governance arrangements for health and care integration in the City.	B2 D2 G3
Blue Badges – technological improvement	Internal Audit advice and guidance on the controls required in the automation of elements of the Blue Badge system.	F4
Local Authority Test and Learn Report	CQC assessment carried out as part of a 'test and learn' approach providing positive feedback over service culture, improvement programmes and	D3 E1

Other Assurance	Detail	Code
	arrangements with partners; whilst noting remaining challenges with mental health services.	
Health Scrutiny Review of access to health services	Reports to February 2023 Health Scrutiny on provision and access to GP services, dental and community pharmacy services; as well as patient participation access. Special session also held by Committee in the month over access to NHS services in the winter of 2022/23 Assurance provided that the Council is engaged across the local health system and working positively with partners in delivery and oversight of critical health services to Manchester residents.	B2 B3 D3
<b>Core and ICT</b>		
ICT Delivery Board	Deputy Head ARM attends monthly board, and contributes to firming up Terms of Reference, alignment to Technical Design Authority and IT Strategy, in managing IT projects and prioritising BAU activities through Service Now system.	E
Corporate Information Assurance and Risk Governance (CIARG) and Information Security Steering Group	Audit attendance monthly – reviewing agenda items, providing challenge, and involvement through D-SIRO network to help determine Data Strategy, Data Management, and associated policies.	F
Covid Grant – Debt Recovery Group	Lead Auditor convened and chaired group to focus on grants paid in error and agree the approach to take with BEIS. Some of this also links to update provided by the Revenues and Benefits Unit to R&G Scrutiny Committee in March 2023 which also referred to performance in income collection and administration of other schemes in which Internal Audit have been engaged	B1
Procurement and Contracts Training	Contract managers across the Council invited to undertake the Government Commercial Function contract management e learning which is being promoted as a foundation for all contract staff which should lead to improvement in commercial competency and skills.	B2 E and F
Major Contracts Oversight Board	This group was established during the year to help in consolidating assurance over the Council's key contracts. Report presented to R&G Scrutiny Committee in March 2023 provided an update on effectiveness and a Delivery Model Assessment Policy which set out the issues to be considered in deciding on the approach to future major contracts	F
Due Diligence Framework	Launch of the Due Diligence Framework during the year promotes the use of an assurance and risk	F

Other Assurance	Detail	Code
	management tool to formalise expectations overdue diligence processes across the Council.	
Project Boards	<p>Audit presence on Project Boards to provide advice and guidance regards implementation and expected controls at earliest stages.</p> <ul style="list-style-type: none"> <li>• Resident/Business Digital Experience Programme</li> <li>• Replacement Legal Case Management system</li> <li>• Universal Upgrade Programme.</li> </ul>	E
Corporate Core and Council Budget Setting	Assurance provided through review by Scrutiny Committees, oversight by Executive and final approval by full Council. Detailed papers and presentations published on the website and available to the public through ability to attend meetings and webcasts. Scrutiny Committees February 2022 and 2023 and Executive and Council meetings	D2 F
Our Manchester progress update	Executive February 2023 receive update on key areas of progress against the Our Manchester Strategy – Forward to 2025. Assurance over monitoring of progress towards current priorities and in determining future priorities and intended outcomes.	B C D
Standards Committee Annual Reports	Annual reports to Standards Committee in March 2023 and March 2023 confirming the work of the Monitoring Officer during the period to promote and maintain high standards of conduct by Councillors – this contributes to assurance over organisational governance	A1 A2
<b>Neighbourhoods; and Growth and Development</b>		
Consultant's Report – Place Called Home (Red Quadrant)	Homelessness Transformation project to significantly increase the prevention of homelessness, continue our progress to end rough sleeping, reduce the use of temporary accommodation, and deliver Better Outcomes and Better Lives for people and families at risk or who are homeless	C1 D1 F2 F5
New Anti-poverty Strategy. Also, paper on MCC ambitions to become a Living Wage City, and report on the GMCA – GM Good Employment Charter.	<p>There were 4 suggested priorities and actions to be included in the final strategy, which were subject to further refinement with our stakeholders as well as formal consultation:</p> <ul style="list-style-type: none"> <li>• Preventing Poverty</li> <li>• Mitigating Poverty</li> <li>• Pathways Out of Poverty</li> <li>• Good Governance and Effective Delivery.</li> </ul>	D1 D2
Housing Services Improvement Board	<p>Head of Audit and Risk attends this group monthly which was established with a focus on:</p> <ul style="list-style-type: none"> <li>• Creating, overseeing and driving the Housing Services Improvement Plan.</li> </ul>	D E F



Other Assurance	Detail	Code
	<ul style="list-style-type: none"> <li>• Delivering to all aspects of the Consumer Standards.</li> <li>• Supporting the implementation of the new operating model for Housing Services.</li> <li>• Establishing a robust and rigorous assurance framework and practice in line with the new Social Housing Act and Regulatory Framework.</li> </ul>	
Culture Annual Report 2022/23	Assurance provided by Director to Communities and Equalities Scrutiny Committee 7 February 2023. Integrates engagement activity and assessment of the effectiveness and impact of cultural activities and provides assurance over the planning , monitoring and evaluation of activity supporting priorities and objectives.	B C D
Manchester Libraries Strategy Update	Assurance provided to Communities and Equalities Scrutiny Committee 7 February over current performance and the future strategy for libraries	C1 D1
Manchester Sport and Physical Activity Strategy 2022 Annual Update	Assurance provided to Communities and Equalities Scrutiny Committee 7 February over annual progress and an update on strengthened governance arrangements of MCRactive, as well as plans for 2023.	C D
Household Waste and Recycling Campaigns and Engagement	Report to Environment, Climate Change and Neighbourhoods Scrutiny Committee February 2023 provides an update on an engagement programme with residents on the issue of household waste and recycling – this contributes to the Council’s assurance over environmental commitments and cost management. Same meeting received updates on planning policy and climate change and zero carbon engagement.	C2 F
Housing Allocations Policy Evaluation	Report February 2023 Economy and Regeneration Scrutiny Committee provided an overview of an evaluation of the new allocations scheme analyse the scheme’s effectiveness. This provides assurance that changes in policy are being assessed for positive impacts and changes made where necessary to achieve outcomes.	D3
Public Sector Equality Duty (PSED) Annual Report 2022	Assurance over the Council's activities to demonstrate compliance with the Public Sector Equality Duty and published annual report/ Provides assurance that mechanisms in place to assess compliance with the Duty (C&E Scrutiny Committee March 2023).	A2 A3 B2
Our Manchester Voluntary & Community Sector	Report to C&E Scrutiny Committee March 2023 on decisions taken in agreeing funding allocations. Internal Audit were engaged in this process and provided assurance that decisions reflected the design of the scheme. Also assurance that additional	B C D

Other Assurance	Detail	Code
	funding approved to support grassroots organisations demonstrating organisational decision making processes taking feedback into account.	
Manchester Adult Education Service Performance Update	Assurance and to E&R Scrutiny Committee in March 2023 providing information over MAES performance in 2021/22 and the skills challenges in the city.	D2 D3

## Appendix Two: Audit Reports Issued 2022/23

Audit Area	Audit Status	Assurance Opinion	Council Impact
<b>Children's' and Education Services</b>			
Divine Mercy Primary School	Final Report	Limited ●	High
Special Educational Needs (SEND) Local Offer	Briefing Note	n/a	High
Schools Financial Value Standards Reporting to DfE 2021/22	Completed	n/a	High
All Saints Newton Heath - financial health check follow up	Final Report	Partially Implemented ●	High
Lily Lane Primary School financial health check follow up	Final Report	Partially Implemented ●	High
St Philips Primary School - financial health check follow up	Final Report	Partially Implemented ●	High
Collyhurst Nursery School and Children's Centre - financial health check follow up	Final Report	Not Implemented ●	High
Martenscroft Nursery and Children's Centre - financial health check follow up	Final Report	Partially Implemented ●	High
Sacred Heart RC Primary School - financial health check follow up	Final Report	Partially Implemented ●	High
St Margaret's C of E Primary School - financial health check follow up	Final Report	Partially Implemented ●	High
St Bernard's Primary School – financial health check follow up	Final Report	Partially Implemented ●	Low
Safer Recruitment in Schools	Final Report	Limited ●	High
Camberwell Park – Safer Recruitment in Schools	Final Report	Limited ●	High
Collyhurst Nursery – Safer Recruitment in Schools	Final Report	Reasonable ●	High
Lancasterian – Safer Recruitment in Schools	Final Report	Limited ●	High
Loreto High School – Safer Recruitment in Schools	Final Report	Reasonable ●	High
St Andrews Primary School – Safer Recruitment in Schools	Final Report	Limited ●	High
St Johns Primary School – Safer Recruitment in Schools	Final Report	Limited ●	High

<b>Audit Area</b>	<b>Audit Status</b>	<b>Assurance Opinion</b>	<b>Council Impact</b>
St Kentigern's Primary School – Safer Recruitment in Schools	Final Report	Limited ●	High
St Peters High School - Safer Recruitment in Schools	Final Report	Reasonable ●	High
St Phillips Primary School – Safer Recruitment in Schools	Final Report	Limited ●	High
St Wilfrid's Primary School –Safer Recruitment in Schools	Final Report	Limited ●	High
Children's Supervisions	Final Report	Reasonable ●	High
Abraham Moss High School Financial Health Check	Final Report	Limited ●	Low
Early Years - Case management & Recording	Final Report	Reasonable ●	High
Church of the Resurrection School Assurance Health check	Final Report	Limited ●	Low
Supporting Families - assurance to GMCA	Final Report	Reasonable ●	Mandatory
Cyber Security in Schools - thematic review	Advice and Guidance	n/a	High
Foster Care - payments system	Draft Report	Limited ●	High
Oswald Road Primary School Assurance Health Check	Draft Report	Limited ●	Low
OFSTED Improvement Plan – Governance	Draft Report	n/a Assurance report	High
Peel Hall Primary School Financial Health Check	Fieldwork Complete	n/a	Low
OFSTED Improvement Plan - Children Disability services	Deferred	n/a	High
Elective Home Education	Deferred	n/a	Medium
<b>Health and Care (Adult Services)</b>			
Adult Social Care: Contract Governance	Final Report	Limited ●	High
Multi Agency Safeguarding Hub	Final Report	Reasonable ●	High
Direct Payments – Assurance	Final Report	Reasonable ●	High
Adults Management Oversight and Supervisions	Final Report	Reasonable ●	High
Adults Care Package Payments	Final Report	Limited ●	Medium

<b>Audit Area</b>	<b>Audit Status</b>	<b>Assurance Opinion</b>	<b>Council Impact</b>
Health and Care Reform	Advice and Guidance	N/A	High
Manchester Service for Independent Living - Adaptations Delivery Model	Final Report	Limited ●	High
Direct Payments – financial reviews	Planning	N/A	High
Adult Services – Quality Assurance Framework	Planning	N/A	High
Performance Reporting Framework	Deferred		
Health and Social Care: Assurance Framework Review	Deferred		
<b>Corporate Core</b>			
Our Town Hall Work Packages and Payments (2nd tranche)	Final Report	Substantial ●	High
Social Value Monitoring	Final Report	Reasonable ●	Medium
Contracts Risk Management	Final Report	Reasonable ●	High
Information Governance Privacy Notices	Final Report	Reasonable ●	Medium
ICT Hardware Asset Management	Final Report	Reasonable ●	High
ICT Vulnerability Management	Final Report	Reasonable ●	High
Vendor Creation and Amendment	Final Report	Limited ●	High
Council Tax, Exemptions and Discounts	Final Report	Reasonable ●	Medium
Estates Planning - Asset Management Plan	Final Report	Reasonable ●	High
Core Financial Systems – lessons learnt from External Audit	Briefing Note	Advice & Guidance	Medium
Public Services Network (PSN) Code of Connection 2022	Briefing Note	Reasonable ●	Medium
Public Services Network (PSN) Code of Connection 2023	Briefing Note	Reasonable ●	Medium
Core Financial Systems – lessons learnt from External Audit	Briefing Note	Advice & Guidance	Medium
Supplier Prompt Payment Compliance	Briefing Note	n/a	Medium
Grant Certification (COVID): Contain Outbreak Management Fund	Complete	Certified ●	Mandatory
Grant Certification (COVID): Test and Trace Support Payments	Complete	Certified ●	Mandatory
Grant Certification (COVID): Protect and Vaccinate	Complete	Certified ●	Mandatory

<b>Audit Area</b>	<b>Audit Status</b>	<b>Assurance Opinion</b>	<b>Council Impact</b>
Grant Certification: Public Sector Decarbonisation Scheme Phase 1	Complete	Certified ●	Mandatory
Grant Certification (EU): Area Based Collaboration in Cities (ABCitiEs)	Complete	Certified ●	Mandatory
Grant Certification (EU): Zero Carbon Cities	Complete	Certified ●	Mandatory
Public Sector Decarbonisation Scheme Phase 1 – Review of Final Claim	Complete	Advice & Guidance	High
Council Tax Energy Rebate Scheme Delivery and Assurance	Complete	Advice & Guidance	Mandatory
Payment Card Industry - Compliance	Complete	Advice & Guidance	High
Debt Recovery and Write Offs – Covid Grants	Complete	Advice & Guidance	Medium
Factory Project: Work Packages	Draft Report	Reasonable ●	High
Climate Change – Action planning	Draft Report	Reasonable ●	High
ICT - Cyber Assurance	Fieldwork	n/a	High
ICT Application Audit – Liquid Logic (was ICT Project Assurance: Flare Replacement)	Fieldwork	n/a	High
Imprest Account Administration	Fieldwork	n/a	Medium
Carbon Reduction in Contracts	Planning	N/A	High
Finance Systems Assurance Mapping	Planning	N/A	Medium
Joiners Movers and Leavers	Deferred		
<b>Neighbourhoods; Growth and Development</b>			
Traded Services - Pest Control	Final Report	Substantial ●	Medium
Youth Services - new service delivery model	Final Report	Substantial ●	Medium
Local Investment Fund	Final Report	Substantial ●	Medium
Housing Operations – Empty Homes and Voids Follow up	Final Report	Partially Implemented ●	Medium
Compliance and Enforcement – Damp and Mould in the Private Rented Sector	Final Report	Reasonable ●	High
Homelessness Rents Team: Review of Core Processes	Final Report	Reasonable ●	High
Disabled Facilities Grant Certification	Complete	Certified ●	Mandatory
Biodiversity Net Gain Grant Certification	Complete	Certified ●	Mandatory

<b>Audit Area</b>	<b>Audit Status</b>	<b>Assurance Opinion</b>	<b>Council Impact</b>
Grant Certification: Highways Local Transport Capital Block Funding (Pothole Fund)	Complete	Certified ●	Mandatory
Traffic Signals Maintenance Funding	Complete	Certified ●	Mandatory
Housing Services – Damp and Mould in former Northwards properties	Briefing Note	Limited ●	High
Building Control – Unauthorised Building Work	Draft Report	Limited ●	Low
Housing Operations - Consumer and Building Safety Regulations	Planning	N/A	High
Project Assurance - Victoria North & Piccadilly Gardens	Deferred		
Housing Services – Day to day voids	Deferred		

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### Appendix Three: Other Sources of Assurance

The table below is a non-exhaustive list of sources used to inform planning and reporting of Internal Audit assurance and forms part of the annual audit opinion assessment. This is focused on reports and information that evaluates how governance, risk and control arrangements are operating across the Council. Internal Audit consider how they contribute to assurance over governance, risk and control and specially how they link to the Council's Code of Governance headings as follows:

#### **A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

A1 - Behaving with Integrity

A2 - Demonstrating Strong Commitment to Ethical Values

A3 - Respecting the Rule of Law

#### **B. Ensuring openness and comprehensive stakeholder engagement**

B1 - Ensuring Openness

B2 - Engaging Comprehensively with Institutional Stakeholders

B3 - Engaging with Individual Citizens and Service Users Effectively

#### **C. Defining outcomes in terms of sustainable economic, social, and environmental benefits**

C1 - Defining Outcomes

C2 - Sustainable Economic, Social and Environmental Benefits

#### **D. Determining the interventions necessary to optimise the achievement of the intended outcomes**

D1 - Determining Interventions

D2 – Planning Interventions

D3 - Optimising Achievement of Intended Outcomes

#### **E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

E1 - Developing the Organisation's Capacity

E2 - Developing the Capability of the Organisation's Leadership and Other Individuals

#### **F. Managing risks and performance through robust internal control and strong public financial management**

<b>Other Assurance</b>	<b>Detail</b>	<b>Code</b>
<b>Children Services, Education and Schools</b>		
Children's Services Safeguarding – LADO annual report.	Scrutiny Report November 2022 – Local Authority Designated Officer report; overview and analysis of management of allegations made against adults working with children in paid or voluntary capacity in Manchester.	A1 A3
Adoption Counts Annual Report	Scrutiny Report November 2022 – regarding Adoption Minimum Standards re statutory duty. Provides	A3 B2

Other Assurance	Detail	Code
	positive assurance over the performance of 3 <sup>rd</sup> party partnership with Stockport Council.	
Partnership Governance – Children’s Board Annual Report 2021/22	Manchester Health and Wellbeing Board – November 2022 - provides an overview of the work undertaken by the Board and highlights the strategic context in which the Board operates, and the progress made against key metrics in the outcomes framework.	B2 C1 C2
Annual report on Special Educational Needs and Disability	Update to February C&YP Scrutiny Committee on work to support children and progress with actions following the Local Area SEND inspection in and ILACs inspections in 2021/22	B3 D3
Mcr Safeguarding Partnership Annual Report 2021/22	Assurance report to C&YP Scrutiny Committee March 2023 covering 2021/22 adult and child safeguarding activity and overview of decisions and actions taken by the partners. The annual report provided assurance over how the MSP provided an integrated approach with partners.	B D F
<b>Adult Services – Health and Care</b>		
Director of Public Health’s annual report	Report to Health and Wellbeing Board on the health and wellbeing of the population, highlighting key issues and actions to address.	C D
Submission of Better Care Fund Plan	Assurance that plan has been developed and shared with stakeholders via the Health and Wellbeing Board.	B2 C D
Review and refresh of the Health and Wellbeing Board	Assurance that governance for health and care in the City and the role of the GM ICS have been reviewed and that changes are being implemented to support effectiveness and ensure the Council complies with statutory duties. In February 2023 Executive updated on the Establishment of Manchester Partnership Board as the Locality Board of Manchester as part of these reforms and confirmed its role. This provided assurance over the clarity and agreement of governance arrangements for health and care integration in the City.	B2 D2 G3
Blue Badges – technological improvement	Internal Audit advice and guidance on the controls required in the automation of elements of the Blue Badge system.	F4
Local Authority Test and Learn Report	CQC assessment carried out as part of a ‘test and learn’ approach providing positive feedback over service culture, improvement programmes and arrangements with partners; whilst noting remaining challenges with mental health services.	D3 E1
Health Scrutiny Review of access to health services	Reports to February 2023 Health Scrutiny on provision and access to GP services, dental and community pharmacy services; as well as patient participation access. Special session also held by Committee in the month over access to NHS services in the winter of 2022/23 Assurance provided that the	B2 B3 D3

Other Assurance	Detail	Code
	Council is engaged across the local health system and working positively with partners in delivery and oversight of critical health services to Manchester residents.	
<b>Core and ICT</b>		
ICT Delivery Board	Deputy Head ARM attends monthly board, and contributes to firming up Terms of Reference, alignment to Technical Design Authority and IT Strategy, in managing IT projects and prioritising BAU activities through Service Now system.	E
Corporate Information Assurance and Risk Governance (CIARG) and Information Security Steering Group	Audit attendance monthly – reviewing agenda items, providing challenge, and involvement through D-SIRO network to help determine Data Strategy, Data Management, and associated policies.	F
Covid Grant – Debt Recovery Group	Lead Auditor convened and chaired group to focus on grants paid in error and agree the approach to take with BEIS. Some of this also links to update provided by the Revenues and Benefits Unit to R&G Scrutiny Committee in March 2023 which also referred to performance in income collection and administration of other schemes in which Internal Audit have been engaged	B1
Procurement and Contracts Training	Contract managers across the Council invited to undertake the Government Commercial Function contract management e learning which is being promoted as a foundation for all contract staff which should lead to improvement in commercial competency and skills.	B2 E and F
Major Contracts Oversight Board	This group was established during the year to help in consolidating assurance over the Council's key contracts. Report presented to R&G Scrutiny Committee in March 2023 provided an update on effectiveness and a Delivery Model Assessment Policy which set out the issues to be considered in deciding on the approach to future major contracts	F
Due Diligence Framework	Launch of the Due Diligence Framework during the year promotes the use of an assurance and risk management tool to formalise expectations overdue diligence processes across the Council.	F
Project Boards	<p>Audit presence on Project Boards to provide advice and guidance regards implementation and expected controls at earliest stages.</p> <ul style="list-style-type: none"> <li>• Resident/Business Digital Experience Programme</li> <li>• Replacement Legal Case Management system</li> <li>• Universal Upgrade Programme.</li> </ul>	E

Other Assurance	Detail	Code
Corporate Core and Council Budget Setting	Assurance provided through review by Scrutiny Committees, oversight by Executive and final approval by full Council. Detailed papers and presentations published on the website and available to the public through ability to attend meetings and webcasts. Scrutiny Committees February 2022 and 2023 and Executive and Council meetings	D2 F
Our Manchester progress update	Executive February 2023 receive update on key areas of progress against the Our Manchester Strategy – Forward to 2025. Assurance over monitoring of progress towards current priorities and in determining future priorities and intended outcomes.	B C D
Standards Committee Annual Reports	Annual reports to Standards Committee in March 2023 and March 2023 confirming the work of the Monitoring Officer during the period to promote and maintain high standards of conduct by Councillors – this contributes to assurance over organisational governance	A1 A2
<b>Neighbourhoods; and Growth and Development</b>		
Consultant's Report – Place Called Home (Red Quadrant)	Homelessness Transformation project to significantly increase the prevention of homelessness, continue our progress to end rough sleeping, reduce the use of temporary accommodation, and deliver Better Outcomes and Better Lives for people and families at risk or who are homeless	C1 D1 F2 F5
New Anti-poverty Strategy. Also, paper on MCC ambitions to become a Living Wage City, and report on the GMCA – GM Good Employment Charter.	There were 4 suggested priorities and actions to be included in the final strategy, which were subject to further refinement with our stakeholders as well as formal consultation: <ul style="list-style-type: none"> <li>• Preventing Poverty</li> <li>• Mitigating Poverty</li> <li>• Pathways Out of Poverty</li> <li>• Good Governance and Effective Delivery.</li> </ul>	D1 D2
Housing Services Improvement Board	Head of Audit and Risk attends this group monthly which was established with a focus on: <ul style="list-style-type: none"> <li>• Creating, overseeing and driving the Housing Services Improvement Plan.</li> <li>• Delivering to all aspects of the Consumer Standards.</li> <li>• Supporting the implementation of the new operating model for Housing Services.</li> <li>• Establishing a robust and rigorous assurance framework and practice in line with the new Social Housing Act and Regulatory Framework.</li> </ul>	D E F
Culture Annual Report 2022/23	Assurance provided by Director to Communities and Equalities Scrutiny Committee 7 February 2023.	B C D

Other Assurance	Detail	Code
	Integrates engagement activity and assessment of the effectiveness and impact of cultural activities and provides assurance over the planning , monitoring and evaluation of activity supporting priorities and objectives.	
Manchester Libraries Strategy Update	Assurance provided to Communities and Equalities Scrutiny Committee 7 February over current performance and the future strategy for libraries	C1 D1
Manchester Sport and Physical Activity Strategy 2022 Annual Update	Assurance provided to Communities and Equalities Scrutiny Committee 7 February over annual progress and an update on strengthened governance arrangements of MCRactive, as well as plans for 2023.	C D
Household Waste and Recycling Campaigns and Engagement	Report to Environment, Climate Change and Neighbourhoods Scrutiny Committee February 2023 provides an update on an engagement programme with residents on the issue of household waste and recycling – this contributes to the Council’s assurance over environmental commitments and cost management. Same meeting received updates on planning policy and climate change and zero carbon engagement.	C2 F
Housing Allocations Policy Evaluation	Report February 2023 Economy and Regeneration Scrutiny Committee provided an overview of an evaluation of the new allocations scheme analyse the scheme’s effectiveness. This provides assurance that changes in policy are being assessed for positive impacts and changes made where necessary to achieve outcomes.	D3
Public Sector Equality Duty (PSED) Annual Report 2022	Assurance over the Council's activities to demonstrate compliance with the Public Sector Equality Duty and published annual report/ Provides assurance that mechanisms in place to assess compliance with the Duty (C&E Scrutiny Committee March 2023).	A2 A3 B2
Our Manchester Voluntary & Community Sector	Report to C&E Scrutiny Committee March 2023 on decisions taken in agreeing funding allocations. Internal Audit were engaged in this process and provided assurance that decisions reflected the design of the scheme. Also assurance that additional funding approved to support grassroots organisations demonstrating organisational decision making processes taking feedback into account.	B C D
Manchester Adult Education Service Performance Update	Assurance and to E&R Scrutiny Committee in March 2023 providing information over MAES performance in 2021/22 and the skills challenges in the city.	D2 D3

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**Manchester City Council  
Report for Information**

**Report to:** Audit Committee – 13 June 2023

**Subject:** Internal Audit Plan 2023/24

**Report of:** Head of Internal Audit and Risk Management

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**Summary**

Standards for Internal Audit in local government are set out in the Public Sector Internal Audit Standards (PSIAS) and a Local Government Application Note from the Chartered Institute for Public Finance and Accountancy. The PSIAS confirm the Council should periodically prepare a risk-based plan of Internal Audit activity that is designed to support an annual opinion on the effectiveness of the systems of governance, risk management and internal control. The Head of Internal Audit and Risk Management is required to communicate internal audit plans and resource requirements, including significant interim changes, to Strategic Management Team and the Audit Committee for review and approval.

The audit plan for 2023/24 sets out areas of proposed audit coverage for the year and the delivery of this plan will be reported to SMT and Audit Committee as part of regular audit reporting.

**Recommendations**

Members are requested to review and approve the Annual Internal Audit Plan for 2023/24.

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**Wards Affected:** All

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**Contact Officers:**

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

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

- Public Sector Internal Audit Standards and CIPFA Local Government Application Note
- Internal Audit Plan 2022/23 (Audit Committee April 2022)
- Internal Audit Annual Opinion Report 2021/22 (Audit Committee April 2022)
- Internal Audit Assurance Reports (Audit Committee 2022/23)
- Internal Audit Strategy and Resources (Audit Committee March 2021) and Review of Effectiveness (September 2022)



## **1. Purpose of Report**

- 1.1. The Public Sector Internal Audit Standards (PSIAS) set out the standards for internal audit and have been adopted by the Council's Internal Audit Service. PSIAS includes the need for risk-based plans to be developed for internal audit, and for senior management and the board plans to review and approve them. For local authorities the "board" is defined as the Strategic Management Team (SMT) and the Audit Committee.
- 1.2. The plan for 2023/24 is based on PSIAS and the Internal Audit Strategy. It is based on the revised structure for the service that was implemented from April 2023 and on expected resources for the year ahead. The plan is designed to be flexible and responsive to emerging risks and the assurance and advisory needs of SMT, Executive and Audit Committee. It also allows for time for the new service structure to be embedded and for staff across the service to engage in development activity referenced in the Internal Audit Strategy and Resources and Review of Effectiveness reports to Audit Committee which includes:
  - More investment in detailed assurance mapping and reporting;
  - Data driven audit and use of data analytics / whole population testing;
  - Agile and lean approaches to audit planning and delivery; and
  - Enhanced collaborative working with Bolton Council and other relevant partners.
- 1.3. This report sets out the audit plan for 2023/24 with the areas of proposed audit coverage for the year and the delivery of this plan will be reported to SMT and Audit Committee as part of regular audit reporting.

## **2. Basis for the Plan**

- 2.1. The PSIAS (section 2000) state that the Head of Audit and Risk Management must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. They refer to the need for the plan to reflect the assurance framework, risk management arrangements and input from management and the Audit Committee. These principles remain applicable and underpin the 2023/24 audit plan.
- 2.2. Internal Audit forms one of the sources of assurance for a local authority. Under the Accounts and Audit Regulations, authorities must undertake an effective internal audit to evaluate the effectiveness of their risk management, control, and governance processes, considering Public Sector Internal Auditing Standards (PSIAS) and sector specific guidance. The Regulations confirm the Section 151 Officer's responsibilities to plan for the proper administration of the Council's financial affairs. In addition to the independent, objective assurance and consulting activity provided by Internal Audit, the Council will also place reliance on other sources of assurance; through effective risk and performance management, policy and process compliance monitoring, staff training and development, incident reporting and by external

advisors and assurance providers including regulators and the External Auditor.

2.3. The underlying principles for the audit planning process remain valid as follows:

- It is not cost effective or necessary to obtain audit coverage of all strategies, systems, business areas and risks, so these are reviewed on a risk basis each year and may change.
- The plan is designed to enable the Head of Audit and Risk Management to provide an annual opinion on the Council's systems of governance, risk management and internal control.
- A range of types of audit and assurance work provide for different scope and coverage. This includes the provision of advice and guidance to services and partnerships to support developing systems, high priority risks, issues, and emerging projects.
- Audit seeks to place reliance on assurance mechanisms within the Council as well as the findings of other auditors and inspectors in forming the audit plan and in providing assurance.
- The plan is flexible and is reviewed and adjusted throughout the year in response to the changing governance, risk and control landscape. These changes will be communicated to Audit Committee and senior officers.
- Audit engages with Strategic Directors, Heads of Service, and colleagues across the Council, as well as through networks and best practice forums, to ensure that known and emerging risks are considered and to ensure the plan is informed by expectations (PSIAS 2010.A2).
- The plan is based on an assessment of risks (PSIAS 2010.A1) with reference to Corporate and Directorate risk registers and proposed areas for audit assessed and ranked against risk criteria to determine priorities.

2.4. Following consultation with officers across the Council, audit intelligence and risk horizon scanning, the audit plan has been developed to respond to key assurance requirements across the organisation.

2.5. In line with Internal Audit Standards the audit planning process considers risks to independence and how these are managed as follows:

- If the assessment of risk used to develop the audit plan indicates areas for focus that are within the line management responsibilities of the Head of Audit and Risk Management then responsibility for planning, review and reporting passes to the Deputy. In cases where the Head and Deputy Head have a conflict (for example risk management) then the Audit and Assurance Manager will report directly to the Accountable Officer for the audit and may opt to utilise independent, external assurance providers for this work.
- All staff are required to declare conflicts of interest annually and at any time in the planning or delivery of audit work. This ensures that any risks of actual or perceived conflict arising from links to related parties are addressed. This is addressed in the planning and allocation of work so that staff are not involved in audits where they have a familial or other

close link. Auditors are restricted in auditing schools where they act as a Governor or areas in the Council where a close family member works.

### **3. Characteristics of the Audit Plan**

#### **Context for the Plan**

- 3.1. The Internal Audit Plan takes account of the Council's overall priorities and risks. The Service has carried out a review of business plans and priorities and horizon scanning to assess known and emerging risks. It is acknowledged that these may change and evolve over time so it is important that the annual plan is designed to offer sufficient flexibility to adapt plans and enable assurance to be obtained over emerging risks and take account of alternative sources of assurance.
- 3.2. For 2023/24 some of the key context in which the plan has been set includes:
- ambitions of the Our Manchester Strategy, Corporate Plan and Business Plans; for Manchester to be a Thriving and Sustainable; Highly Skilled; Progressive and Equitable; Liveable and Low Carbon; and Connected City.
  - ensuring financial challenges and related budget savings can be met whilst also delivering priorities set out in the Medium-Term Financial Strategy and annual budget reports.
  - ongoing pressure caused by inflation, fuel and heating costs and prices more generally. This has an ongoing impact on the costs of Council capital and revenue contracts with an impact on services, projects and partners including the voluntary and community sector; and of course residents.
  - delivery of major capital projects including the Factory, Our Town Hall and a range of ICT enabled programmes including the Resident and Business Digital Experience Programme (RBDXP).
  - changes and challenges in the external audit environment with increased focus on estimates and valuations and the need to ensure high standards of confidence in transparency and financial accountability across the public sector; but resulting in delays in the audit of the annual accounts.
  - organisational change including the further development of health and care partnerships and the integrated care system at Greater Manchester level with the Council Chief Executive appointed as the Place Based Lead for Manchester.
  - sustaining substantial improvement in mental health services with Greater Manchester Mental Health Trust, continuing delivery of the Better Outcomes Better Lives programme and supporting financial resilience of the adult social care system, to help improve the integration and quality of services to residents.
  - developing the Housing Services offer to tenants and address issues that have been identified through service review and confirmed to the Housing Regulator. This includes a programme of transformation and improvement to build assurance that the Council complies with consumer and safety standards and is delivering improved services and solutions to residents.
  - using technology to drive down service costs, make the best use of data and intelligence within the Council and with partners, maintain a digital first

approach and improve the quality of service provision. Ensuring that existing systems and processes are developed to address known issues of data quality that have impacted the ability to make accurate, timely payments and support effective decision making in 2022/23.

- maintaining a high state of alert, awareness and investment in preventative solutions to respond to the risks of data loss, service disruption and cyber-attack.
- supporting workforce capacity and capability including leadership and management development, performance management and activities to further progress equality, inclusion and diversity across the workforce and in the design and delivery of services and support to residents.

### Timeframe for the Plan

- 3.3. The plan sets out the high priority work for the next 12 months and contingency set aside to ensure appropriate ad hoc or unforeseen audit activity can be accommodated, and includes the reviews confirmed to Audit Committee in the annual opinion, as having been deferred for completion in 2023/24.
- 3.4. As in previous years, we have assessed audit work based on risk and through discussions with key clients, and accounting for work carried forward from 2022/23 where the business need for assurance remains. Progress of the plan and significant changes to coverage will be reported to the Audit Committee throughout the year.

### Structure of the Plan

- 3.5. The plan includes a range of audit activities which contribute to the assurance framework and to the Head of Audit and Risk Management annual opinion. The relative planned split between the types of activity is shown below.

Type of Assurance and Approximate Split		Examples
Audit Opinion Reviews	35%	System Audits. Compliance Audits. Risk Based Audits. Follow Up Audits. Governance and Strategy Audits. Grant Certifications.
Audit Assurance Reviews	20%	Developing Systems Reviews. Management Assurance Requests. Assurance Assessments.
Advice, Guidance & Support	5%	Attendance on working groups and boards. Responses to reasonable, relevant management requests for support or guidance.
Audit Contingency	10%	Resource reserved for ad hoc requests regarding immediate risk or to support any additional schemes that may be required in the year.

Counter Fraud, Irregularity & Investigations	25%	Proactive counter fraud and irregularity activities. Corporate counter fraud and irregularity investigations (including theft, procurement, payments, and officer conduct). Claimant counter fraud investigations (including Council Tax, NNDR and Housing Tenancy fraud). Covid19 grants – error and fraud investigations.
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- 3.6. The outcomes of the audit opinion and audit assurance reviews, advice and guidance and counter fraud activity will be reported to SMT, Executive Members and Audit Committee. There are four levels of audit opinion (no, limited, reasonable, and substantial assurance). The audit opinion is considered alongside the impact of the system or area (high, medium, low) to provide a more rounded view of the risk areas to SMT and Audit Committee.
- 3.7. Progress in implementation of high priority recommendations from audit activity will be reported to SMT and Audit Committee and escalation action taken as required where there are delays in improving process control or efficiency. The status of recommendations is provided through updates to this committee. Any significant audit recommendation that is more than six months overdue is escalated to the Executive Member and Strategic Director for review and onto Audit Committee if it remains outstanding at nine months. No recommendations are 'referred back' to the business to manage without Audit Committee approval, and the action owner is requested to attend committee in person and provide reasons for delay.

#### **4. Resourcing of the Plan**

- 4.1. The plan is based on available resource at April 2023.
- 4.2. The current plan of total resources to be allocated to the direct management and delivery of Council audit and counter fraud work for 2023/24 is c1,500 days. This is less than the 1,850 days planned for 2022/23.
- 4.3. This reflects time set aside to embed the new structure and for the team to engage in service and organisational change activity and in focused workforce development activity linked to the service business and workforce development plan, team priorities and the agreed audit strategy. With so much time focused on covid response and recovery as well as other demands for audit support, the service has had limited opportunity over recent years to develop and embed new ways of working and innovation.
- 4.4. It also reflects one member of staff on maternity leave, one member of staff moving to a new role in the Council from June 2023 and a small amount of time to support external work for schools, academies and Bolton Council.
- 4.5. Following service change there three vacant posts in the audit structure as well as a vacant post of the Deputy Head of Service. Actions are underway to recruit and appoint to these positions and some other vacancies across the

wider Audit and Risk Management Service. In the interim the service as sought to recruit agency staff to support the in-house team but this has proven unsuccessful so management are exploring the use of a third party provider to focus on support in the delivery of school-related audit work.

## **5. Planned Areas of Audit Work**

- 5.1. The planned areas of audit activity, after considering the review of the risks and the major changes the Council is facing, are set out in Appendix 1.
- 5.2. The plan shows links to the Council's Corporate Plan Priorities and the most recent SMT review of the Corporate Risk Register. It provides a very high-level summary of the likely focus of audit and assurance work that will be developed further as part of detailed assignment planning in each of these areas.
- 5.3. The audit plan is not designed to cover all corporate plan priorities or corporate risks; or cover them in equal measure. Analysis of the planned areas of coverage demonstrates that there is a breadth of coverage and that a high proportion of focus across the plan contributes to corporate plan priority 7 (Well Managed Council). This is to be expected as the assessment of strategies, governance, systems and processes is integral to almost every audit and assignment. Coverage of priorities 1 and 2 in respect of young people and health cared for people also featured strongly across the plan. Corporate risks 2 (Council finances) and 7 (the achievement of positive health outcomes for adults and children) also score highly in terms of focus.
- 5.4. This is a high-level assessment and individual audits may incorporate a focus on specific risk areas if this is agreed as part of detailed assignment planning but other than risk 9 (economy of the City) every risk is subject to focus of at least one audit this year. Areas that may be subject to less direct audit coverage will be priority areas for the service to assess other sources of assurance so that these can be incorporated in update reporting to SMT and the Audit Committee.

Corporate Plan		#
1	Young People	14
2	Healthy, Cared-for People	11
3	Housing	8
4	Neighbourhoods	8
5	Connections	3
6	Growth Benefits Everyone	1
7	Well-Managed Council	64
8	Zero Carbon Manchester	2

Risk Register		#
1	Resident Finances	2
2	Council Finances	33
3	City Wide Climate Change	1
4	ICT Resilience and Cyber	6
5	Housing	8
6	Workforce	3
7	Adult and Child Health	21
8	Digital and ICT strategy	6
9	Economy of the City	0
10	Council Climate Change Action	2
11	Supply chain	8
12	Safeguarding	3
13	EDI	2
14	Data loss	7

5.5. Based on Internal Audit's risk assessment there are some key areas of focus on the year that are included in the plan and these include:

- Block allocations of time with detailed scope to be determined following further detailed risk assessment and ongoing management engagement. These are focused on health and care including mental health, finance systems and ICT technical assurance.
- Projects for mapping assurance across complex systems that include financial systems, ICT and schools.
- Audits of core management arrangements to ensure an ongoing audit assessment that core systems and processes in neighbourhood and resident focused services are operating as intended.
- Audits of procurement, contracts and payments across a range of services including focus on areas of risk in adults and children's highlighted in audit work in 2022/23.
- Reviews in areas of inherent risk such as cyber security or where there are risks relating to statutory or regulatory frameworks such as in housing.

5.6. The plan provides a breadth of coverage and areas of focus in order to support a rounded annual audit opinion. In line with the Internal Audit Strategy, reports to Audit Committee in 2023/24 will also reference and reflect the outcomes of other sources of assurance and the findings of key reports to other Committees. The Service will consider and report on the outcome of key processes such as budget setting, the work of external audit and the production of the annual governance statement. This holistic approach to assurance will inform in-year and annual audit reporting to Directorate Leadership Teams, SMT and Audit Committee.

## 6. Recommendations

- 6.1. Audit Committee is requested to review and approve the Annual Internal Audit Plan for 2023/24.



**Appendix 1: Audit Plan April 2023-March 2024**

<b>Area of Focus</b>	<b>Assurance Title</b>	<b>Impact (HML)</b>	<b>Assurance Focus</b>	<b>Audit Type</b>	<b>Corporate Plan Priority</b>	<b>Risk Register</b>
Core and Corporate Functions	Core Financial Systems – Assurance Mapping including review of management self-assessment against the CIPFA Financial Management Code (completion of work started in 2022/23)	H	Use of financial resources and financial reporting	Assurance Review	7	2
	Core Financial Systems – Treasury Management	M	Systems and processes for management of transactions	Opinion Audit	7	2
	Core Financial Systems – Vendor Creation and Amendment	H	Systems and process for managing set up and changes to supplier details	Follow Up Audit	7	2
	Core Financial Systems – Adults Payments	H	Risk based audit of actions planned and being taken to address issues identified in payment processes – to include audit advice and guidance	Assurance Review	2 7	2 7
	Core Financial Systems – Foster Carer Payments	H	Risk based audit of actions planned and being taken to address issues identified in payment processes – to include audit advice and guidance	Follow Up Audit	1 7	1 7

Area of Focus	Assurance Title	Impact (HML)	Assurance Focus	Audit Type	Corporate Plan Priority	Risk Register
	Core Financial Systems – Spend Data Analysis	M	Information management, reporting and decision making	Assurance Review	7	2
	Core Financial Systems – Imprest Accounts	M	Risk based audit of actions planned and being taken to address issues identified in payment processes – to include audit advice and guidance	Follow Up Audit	7	1 2
	Core Financial Systems – Legal Services	M	Systems and processes for cost and income management	Assurance Review	7	2
	Core Financial Systems – Parking	H	Systems and processes for management and reconciliation of parking income	Assurance Review	7	2
	Workforce – Recruitment	H	Systems and processes that support decision making on recruitment decisions	Opinion Audit	7	6 13
	Workforce – Officer Gifts and Hospitality	M	Systems and process for identification and management of offers of gifts and hospitality	Opinion Audit	7	6
	Workforce – Joiners, Movers, Leavers	M	Advice and guidance on process development	Advice and Guidance	7	6
	Communications – Translations Service	M	Strategy, systems and process	Opinion Audit	4 7	13

Area of Focus	Assurance Title	Impact (HML)	Assurance Focus	Audit Type	Corporate Plan Priority	Risk Register
	Grant Certifications: Expectation of 10-15 submissions requiring Internal Audit review and approval	Mandatory	Review and validation of grant payment submissions to funders	Certification	7	n/a
Data, Information and Systems	ICT Assurance: Public Service Network Code of Connection	H	Review and validation of submission	Assurance Review	5 7	4 8 14
	ICT Assurance: Cyber Security	H	Anti-virus systems and processes	Opinion Audit	7	4 8 14
	ICT Assurance: Assurance Mapping	H	Risk assessment and mitigation	Assurance Review	7	4 8 14
	ICT Assurance: Technical Audit Block Allocation	H	Scope to be determined from update of the audit needs assessment	Opinion Audit	7	4 8 14
	Information Governance: Data Management Policy	M	Roles, responsibilities and reporting systems and process	Assurance Review	7	4 8 14
	Project Support and Assurance	M	Attendance at project boards and groups to support up-front design of governance and control processes	Advice and Guidance	7	4 8 14
Procurement, Commissioning and Contracts	Contracts: Factory Project Assurance	H	Project management, contracts and reporting	Opinion audit	7	2 11
	Contracts: Zero Carbon (completion of audit started in 2022/23)	H	Systems for obtaining and assuring delivery of zero carbon commitments in contracts	Opinion audit	7 8	3 10

Area of Focus	Assurance Title	Impact (HML)	Assurance Focus	Audit Type	Corporate Plan Priority	Risk Register
	Contracts: Our Town Hall Work Management of Post Procurement Cost	H	Procurement: award of contracts. Value for money and payments	Opinion audit	7	2 11
	Contracts: Security Contract Management	M	Project management, contracts and reporting	Opinion audit	7	2 11
	Contracts: Adult Social Care Providers	H	Due diligence system and process	Opinion audit	2 7	2 11
	Contracts: Adults Contract Governance	H	Follow up review of limited assurance review	Follow Up Audit	2 7	2 11
Neighbourhoods	Waste Management	H	Contract and Performance Management	Opinion audit	4 7	2 11
	Housing Services: Fire Risk Assessment	H	Follow-up on limited assurance audit	Follow Up Audit	3 4 7	5
	Housing Services: Assurance Framework (to incorporate assurance over day-to-day voids started in 2022/23)	H	Support in the development of the housing services framework mapping assurance over compliance with legislation and standards	Assurance Review	3 4 7	5
	Housing Services: Complaints	H	Systems and process to receive, respond to and learn from complaints	Opinion audit	3 4 7	5
	Housing Services: Contract Management	H	System and process for management of Equans contract	Opinion audit	3 4 7	5 11
	Highways: Parking	M	Resident parking scheme system and process	Opinion audit	4 7	n/a

Area of Focus	Assurance Title	Impact (HML)	Assurance Focus	Audit Type	Corporate Plan Priority	Risk Register
	Highways: Delivery Management	H	Management of capital projects	Opinion audit	5 7	2 11
	Homelessness: A Place Called Home	H	Transformation programme governance and management	Assurance Review	2 3 7	5
	Homelessness: Supported Housing	H	Systems and process	Opinion audit	2 3 7	5
Growth and Development	Building Control	H	Regulatory changes including fees – development system	Assurance Review	3 7	n/a
	Major Projects Assurance (completion of work started in 2022/23)	H	Governance and management of a sample of planning / development projects	Assurance Review	4 5 6 7 8	2 5 11
	Planning: Biodiversity Net Gain Grant	Mandatory	Certification of project spend	Certification	7 8	10
Adults Services	Adults Performance Reporting	H	Systems and processes for the identification and production of reporting to assess and improve service performance	Opinion audit	2 7	7
	Adults Quality Assurance	H	Systems and processes for obtaining assurance over quality of casework and practice; and lessons learned to support improvement	Opinion audit	2 7	7
	Adults Direct Payments	H	Systems and processes for undertaking financial	Opinion audit	2 7	7

Area of Focus	Assurance Title	Impact (HML)	Assurance Focus	Audit Type	Corporate Plan Priority	Risk Register
			reviews and payments to service users			
	Mental Health	H	Block allocation of time to support the Executive Director of Adults Social Services in obtaining assurance over systems and processes for mental health services	Assurance Review	2 7	7 12
	Better Outcomes Better Lives	M	Governance and delivery of change through the programme	Opinion audit	2 7	7 12
	Integrated Health and Care	H	Block allocation to provide assurance over place-based partnership and pooled funding arrangements	Assurance Review	2 7	7 12
Public Health	Public Health	H	Integration and transition – integrated care system	Assurance Review	1 2 7	7
Children's Services	Early Years and Education System (EYES) data quality	H	Block of time to support improvements in data quality in the EYES system following concerns and issues raised by management in 2022/23	Assurance Review	1 7	2 7 14
	Education, Health and Care Plans (EHCPs)	H	Strategy, systems and process for completion and oversight of EHCPs	Opinion audit	1 7	2 7

Area of Focus	Assurance Title	Impact (HML)	Assurance Focus	Audit Type	Corporate Plan Priority	Risk Register
	Placement Finding Service	H	Strategy, systems and process for managing placements	Opinion audit	1 7	2 7
	Children's Disability Services	H	Actions taken to respond to improvement priorities agreed post Ofsted inspection	Opinion audit	1 7	2 7
	Elective Home Education / Alternative Provision	M	Strategy, systems and processes – scope to be confirmed	Assurance Review	1 7	2 7
	Supporting Families	M	Management of cases and activities to support funding claims	Certification	1 7	2 7
Children's Services; Education and Schools	Assurance Mapping	M	Development of model assurance framework for regularised reporting of assurances to stakeholders	Assurance Review	1 7	2 7
	School Financial Health checks	L	Programme of financial health checks at schools – includes some time for fee paying work at a small number of schools or academies	Opinion audit	1 7	2 7
	Safer Recruitment	H	Follow up on limited assurance audit 2022/23	Follow Up Audit	1 7	2 7
	Schools Business Management and Financial Controls Assessment	M	Advice and guidance with self-assessment review to reaffirm key financial controls – in conjunction	Assurance Review	1 7	2 7

Area of Focus	Assurance Title	Impact (HML)	Assurance Focus	Audit Type	Corporate Plan Priority	Risk Register
			with Education and briefings for schools			
	Schools Financial Value Standard (SFVS)	Mandatory	Completion of SFVS return to the Department for Education	Certification	1 7	2 7
	School Cyber Security	H	Advice and guidance with self-assessment review to reaffirm profile of cyber security risk	Assurance Review	1 7	2 7
Counter Fraud and Irregularity	Counter Fraud Framework – policy updates, data sharing, review, training and awareness	H	Risk assessment and mitigation	Proactive counter fraud	7	2
	National Fraud Initiative review of risks and further investigations	H	Risk based review of matches and investigations into potential fraud and irregularity	Proactive and reactive counter fraud	7	2
	Fraud and Error Investigations: <ul style="list-style-type: none"> <li>• Covid19 Reliefs and Grant Payments</li> <li>• NNDR</li> <li>• Council Tax Support</li> <li>• Housing Tenancy and Right to Buy</li> <li>• Other allegations</li> <li>• Whistleblowing and internal referrals</li> </ul>	H	Risk based investigations into potential fraud and irregularity	Reactive counter fraud	3 7	2 5



Area of Focus	Assurance Title	Impact (HML)	Assurance Focus	Audit Type	Corporate Plan Priority	Risk Register
	Risk and Response	H	Counter Fraud Risk Assessments and training with Directorate Leadership Teams	Proactive counter fraud	7	2
	Proactive Counter Fraud and Error Review	H	<ul style="list-style-type: none"> <li>• Supplier Management in Schools</li> <li>• Children’s Direct Payments</li> <li>• Duplicate Payments and Vendor Credits.</li> </ul> Reviews designed to identify potential fraud or error	Proactive reviews	7	2

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## Appendix 2:

### Corporate Plan Themes

1	<b>Young People:</b> From day one, support Manchester's children to be safe, happy, healthy and successful, fulfilling their potential, and making sure they attend a school graded 'good' or better
2	<b>Healthy, Cared-for People:</b> Work with partners to enable people to be healthy and well. Support those who need it most, working with them to improve their lives
3	<b>Housing:</b> Ensure delivery of the right mix of good-quality housing so that Mancunians have a good choice of quality homes
4	<b>Neighbourhoods:</b> Work with our city's communities to create and maintain clean and vibrant neighbourhoods that Mancunians can be proud of.
5	<b>Connections:</b> Connect Manchester people and places through good-quality roads, sustainable transport and better digital networks
6	<b>Growth that Benefits Everyone:</b> To support our priorities, we need to continue to promote and drive sustained economic growth and job creation that benefits everyone
7	<b>Well-Managed Council:</b> Support our people to be the best and make the most of our resources.
8	<b>Zero Carbon Manchester:</b> Lead delivery of the target for Manchester to become a zero-carbon city by 2038 at the latest, with the city's future emissions limited to 15 million tonnes of carbon dioxide

### Corporate Risks – Next Update for New Risks Planned by 31 August 2023

Risk Number and Description	HML	Risk Number and Description	HML
1. Finance and cost of living crisis – impact on residents	H	8. Delivery of digital and ICT strategy priorities	M
2. Finance and cost of living crisis – impact on the Council	H	9. Finance and cost of living crisis – impact on businesses and economy of the City	M
3. Delivery of climate change action – Citywide	H	10. Delivery of climate change action – Council	M
4. ICT Resilience and Cyber security	H	11. Failure of key suppliers and supply chain disruption	M
5. Scale and type of housing insufficient to meet demand	H	12. Safeguarding children and vulnerable adults.	M

6. Capability/capacity of workforce	M	13. Equality, Diversity and Inclusion in the design of services and across the workforce	M
7. Health and care outcomes for adults and children	M	14. Serious avoidable data loss	L

## Audit Committee Work Programme – 2023/24

**Meeting date – Tuesday 13 June 2023 (Report deadline Friday 2 June)**

Item	Purpose	Executive Member	Strategic Director/ Lead Officer
Update on Progress on the Audit of the Final Accounts for 2020/21 and 2021/22 and finalising the Draft Accounts for 2022/23	To update the Committee on the progress on outstanding accounts.	Councillor Akbar	The Deputy Chief Executive and City Treasurer
Annual Internal Audit Assurance Opinion and Report 2022/23	To receive, note and comment upon the annual Internal Audit Opinion.	Councillor Akbar	The Head of Audit and Risk Management
Annual Internal Audit Plan 2023/24	To receive, note and comment upon the annual Internal Audit Plan for the ensuing municipal year.	Councillor Akbar	The Head of Audit and Risk Management
Annual Governance Statement	To note and comment on the Annual Governance Statement.	Councillor Akbar	The Deputy Chief Executive and City Treasurer
Register of Significant Partnerships	To receive the six-monthly update on the Register of Significant Partnerships.	Councillor Akbar	The Deputy Chief Executive and City Treasurer
Work Programme	The monthly report includes the decisions monitor, the Committee's work programme and any items for information.	N/A	Governance and Scrutiny Support Unit

**Meeting date – Tuesday 25 July 2023 (Report deadline – Friday 14 July 2023)**

Item	Purpose	Executive Member	Strategic Director/ Lead Officer
External audit of Accounts 2020/21 and circulation of Draft Accounts for 2022/23	To note, receive and consider the audit of Accounts 2020/21 and note the sharing of Draft Accounts for 2022/23	–	Mazars (External Auditor)
Capital Budget Outturn 2022/23	To receive, note and comment on the Capital Budget Outturn.	Councillor Akbar	The Deputy Chief Executive and City Treasurer
Revenue Budget Outturn 2022/23	To receive, note and comment on the Revenue Budget Outturn.	Councillor Akbar	The Deputy Chief Executive and City Treasurer
Treasury Management Outturn 2022/23	To receive, note and comment on the Treasury management Outturn.	Councillor Akbar	The Deputy Chief Executive and City Treasurer
Internal Audit Assurance Q1	To receive note and comment on audit opinions issued in Quarter 1.	Councillor Akbar	The Head of Audit and Risk Management
Outstanding Audit Recommendations Q1	To receive, note and comment on audit recommendations in Quarter 1.	Councillor Akbar	The Head of Audit and Risk Management
Work Programme	The monthly report includes the decisions monitor, the Committee's work programme and any items for information.		

**Meeting date – Tuesday 19 September 2023 (Report deadline – Friday 8<sup>th</sup> July 2023)**

Item	Purpose	Executive Member	Strategic Director/ Lead Officer
External Audit Update Audit of Accounts 2022/23	To receive an update from Mazars		Mazars (External Auditors)
Corporate Risk Strategy and Risk Register	To receive, note and comment on the Corporate Risk Strategy and the associated Risk Register.	Councillor Akbar	The Deputy Chief Executive and City Treasurer

Review of the Effectiveness of Internal Audit, Audit Committee and QAIP	To note receive and consider the efficacy of Internal Audit, the Audit Committee and the Quality Assurance Improvement Plan.	Councillor Akbar	The Head of Audit and Risk Management
Work Programme	The monthly report includes the decisions monitor, the Committee's work programme and any items for information.		Governance and Scrutiny Support Unit
Annual Counter Fraud (Public Excluded)	To receive, note and consider on Annual Counter Fraud findings and activity.	Councillor Akbar	The Deputy Chief Executive and City Treasurer and the Head of Audit and Risk Management

**Meeting date – Tuesday 24 October 2023 (Report deadline – Friday 13 October 2023)**

Item	Purpose	Executive Member	Strategic Director/ Lead Officer
Risk Review item: TBC			
	The monthly report includes the decisions monitor, the Committee's work programme and any items for information.		

**Meeting date – Tuesday 28 November 2023 (Report deadline – Friday 17 November 2023)**

Item	Purpose	Executive Member	Strategic Director/ Lead Officer
External Audit Update Annual Complaints report	To note, receive and comment on the complaints, enquiries and information request dashboard, in respect of annual performance for 2022/23 corporate and social care complaints.	Councillor Akbar	The City Solicitor and the Assistant Chief Executive
Treasury Management Update	To note, receive and comment on Treasury Management activities over the last six months.	Councillor Akbar	The Deputy Chief Executive and City Treasurer
Internal Audit Assurance Q2	To note, receive and comment on Internal Audit assurance activity in Quarter 2.	Councillor Akbar	The Head of Audit and Risk Management

Outstanding Audit Recommendations Q2	To note receive and comment on the implementation of audit recommendations in Quarter 2.		The Head of Audit and Risk Management
Work Programme	The monthly report includes the decisions monitor, the Committee's work programme and any items for information.	N/A	Governance and Scrutiny Support Unit

**Meeting date – Tuesday 12 December 2023**

Annual Training Event
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**Meeting date – Tuesday 16 January 2024 (Report deadline – Friday 29 December 2023)**

Item	Purpose	Executive Member	Strategic Director/ Lead Officer
External Audit Update	To receive, note and comment on progress of draft accounts for 2023/24.		Mazars (External Auditors)
Register of Significant Partnerships	To receive the six-monthly update on the Register of Significant Partnerships.	Councillor Akbar	The Deputy Chief Executive and City Treasurer
Internal Audit Assurance Q3	To receive note and consider Internal Audit assurance opinions and activity in Quarter 3.	Councillor Akbar	The Head of Audit and Risk Management
Outstanding Audit recommendations Q3	To note receive and comment on the implementation of audit recommendations in Quarter 3.	Councillor Akbar	The Head of Audit and Risk Management
Work Programme	The monthly report includes the decisions monitor, the Committee's work programme and any items for information.		Governance and Scrutiny Support Unit



**Meeting date 13 February 2024 – (Report deadline – Friday 2 February 2024)**

Item	Purpose	Executive Member	Strategic Director/ Lead Officer
External Audit Update	To receive, note and comment on progress of draft accounts for 2023/24.		Mazars (External Auditors)
Internal Audit Plan 2024/25	To receive, note and consider the Internal Audit Plan for 2024/25	Councillor Akbar	The Head of Audit and Risk Management
Annual Audit Opinion 2022/23	To receive, note and consider the Annual Internal Audit Assurance Opinion for 2022/23	Councillor Akbar	The Head of Audit and Risk Management
Accounting Concepts and Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty	To receive, note and consider the accounting concepts and policies, critical accounting judgements and key sources of estimation uncertainty that will be used in preparing the 2023/24 annual accounts.	Councillor Akbar	The Deputy Chief Executive and City Treasurer
Work Programme	The monthly report includes the decisions monitor, the Committee's work programme and any items for information.		

**Meeting date – 12 March 2024 – (Report deadline – Friday 1<sup>st</sup> March 2024)**

Item	Purpose	Executive Member	Strategic Director/ Lead Officer
External Audit Progress	To receive, note and comment on progress of draft accounts for 2023/24.		Mazars (External Auditors)
Risk Review item: TBC			
Work Programme	The monthly report includes the decisions monitor, the Committee's work programme and any items for information.	N/A	Governance and Scrutiny Support Unit

**Meeting date – 9 April 2024 – (Report deadline – Friday 29 March 2024)**

Item	Purpose	Executive Member	Strategic Director/ Lead Officer
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External Audit Update	To receive, note and comment on progress of draft accounts for 2023/24.		Mazars (External Auditors)
Risk Review item: TBC			
Work Programme	The monthly report includes the decisions monitor, the Committee's work programme and any items for information.		

**To be Scheduled:**

Item	Purpose	Executive Member	Strategic Director/ Lead Officer
External Audit Completion of Accounts 2023/24			
External Audit Plan 2023/24			