



## **Audit Committee**

Date: Monday, 11 February 2019

Time: 10.00 am

Venue: Council Antechamber, Level 2, Town Hall Extension,  
Manchester, M60 2LA

Everyone is welcome to attend this committee meeting.

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**

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## **Membership of the Audit Committee**

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**Councillors** - Ahmed Ali (Chair), Connolly, Lanchbury, Russell, A Simcock and Watson

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

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|-----|---|---------|
| 6.  | <b>[10:15 - 10:40] Internal Audit Assurance Report</b><br>The report is enclosed.                                 | 3 - 22  |
| 7.  | <b>[10:40 - 10:50] Manchester Service for Independent Living</b><br>The report is enclosed.                       | 23 - 28 |
| 8.  | <b>[10:50 - 11:00] Outstanding Audit Recommendations</b><br>The report is enclosed.                               | 29 - 70 |
| 10. | <b>[11:20 - 11:50] Risk Review Item - Assurance on Health and Social Care Activity</b><br>The report is enclosed. | 71 - 86 |

## Further Information

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

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This agenda was issued on **Thursday, 7 February 2019** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

**Manchester City Council  
Report for Information**

**Report to:** Audit Committee 11 February 2019

**Subject:** Internal Audit Assurance Report 2018/19

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

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**Summary**

The Internal Audit Section delivers an annual programme of audit work designed to raise standards of governance, risk management and internal control across the Council. This work culminates in the Annual Head of Internal Audit Opinion and an Annual Assurance Report. This report provides a summary of the audit work undertaken and opinions issued in the period April to December 2018.

**Recommendations**

Members are requested to consider and comment on the Internal Audit Assurance Progress Report to 31 December 2018.

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**Wards Affected:** All

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

Documents used in the development of the assurance report include:

- Internal Audit Plan 2018/19 (June 2018)
- Internal Audit Assurance Report (July 2018 and November 2018)
- Outstanding Audit Recommendations Report (July 2018 and November 2018)

## Internal Audit Assurance Report April to December 2018

### 1 Introduction

- 1.1 This report provides a summary of the work of the Internal Audit Section from April to December 2018 including progress toward delivery of the annual audit plan, a summary of assurance opinions on completed audits and a summary position on the implementation of Internal Audit recommendations. The opinions and statistics are shared with Directorate senior managers for discussion; to agree actions and are used to inform an overall annual assurance opinion.

### 2. Audit Programme Delivery

- 2.1 The following table is a summary of the outturn against the audit plan to date.

Audit Status	2017/18 Brought Forward	2018/19 Audit Plan Outputs	Additional Items
Final Report	15	33	2
Draft Report	0	6	0
Fieldwork Completed	0	7	0
Fieldwork Started	0	11	0
Planning	0	19	1
Not started	0	8	0
Cancelled / Deferred	0	6	0
<b>Totals</b>		<b>105</b>	<b>3</b>

- 2.2 Outputs in the above table include audit reports, management letters and advice and guidance as well as support to management on service improvement. The number of total expected outputs has risen as the blocks of audit time assigned to areas of risk including the Our Town Hall Project and Contract Monitoring have been broken down to assignment level in line with plans.
- 2.3 The table does not include investigations or counter fraud casework activity the key focus of which is summarised in section nine and outturn is reported in the annual fraud report. The analysis does not include most of the advice and guidance provided to the business through involvement in working groups and projects across the Council as these are not captured in formal reports.
- 2.4 Three further items are shown as cancelled/deferred in addition to three items previously reported to Committee in November. Two relate to grant certifications for

Highways Challenge Fund and Local Pinch Point that have not been delivered as there is now no specific requirement to provide grant certifications. As such the progress table shows these items as being cancelled. This position will be reconsidered should requests from grant funders be received.

- 2.5 Discussions with management have confirmed that significant changes in the Special Educational Needs management and leadership arrangements are being implemented, including an interim structure and system changes. Given the importance of this area we propose to provide advice and guidance on the arrangements being implemented during quarter four and that Internal Audit carry out an audit in quarter three of 2019/20 to assess operational effectiveness of the new arrangements. To accommodate this urgent need, subject to Audit Committee comments, an audit of recruitment and selection is proposed to be deferred to 2019/20 as the timing of this planned work is not critical and can be rescheduled without presenting a significant risk.
- 2.6 It should be noted that work on Leisure Contract Performance Management has been limited to advice and guidance due to the implementation timeframe for the contract and the proposal is to consider further assurance needs as part of the 2019/20 audit plan.
- 2.7 The sections below describe the progress made against the agreed annual audit plan in this quarter. The status of the annual audit plan in terms of progress to delivery is shown at Appendix One for completeness.

### **3 Adult Services**

- 3.1 The Mental Health Casework audit was completed and limited assurance was provided in the draft report over the Greater Manchester Mental Health Trust's delivery of delegated statutory social care functions in line with relevant policies and procedures. The opinion was impacted by the need to strengthen control over timeliness; record keeping; management oversight; and record keeping. We are currently engaging with management, the Trust and the Trust auditors to ensure appropriate management responses are agreed for each recommendation to support finalisation of the report. We are now in the process of engaging with senior management both within the Council and within the Trust, and with health audit colleagues, to fully agree the scope and content of the second planned Mental Health audit in relation to Panels.
- 3.2 Liaison with Adults Services colleagues, health partners and between respective audit teams is ongoing and this is covered further in a separate report requested by Audit Committee on the Health and Social Care Assurance Framework.
- 3.3 Internal Audit provided limited assurance over the arrangements in place for management oversight and supervision in Adult Services. This was mainly due to the insufficient frequency of supervisions held with social work staff which was not in line with Council requirements and a lack of clarity over when and where records should be recorded. There was concern identified about the lack of supervisions training for managers, the need for a monitoring and quality assurance framework over supervisions and recognition that there was a need to improve record keeping to ensure that decisions were clearly recorded. Management recognised the issues and had begun to take action to address them to confirm expectations, enhance guidance and ensure compliance.

- 3.4 A range of issues raised by Internal Audit in 2017/18 and 2018/19 are understood and accepted by the service and are reflected in a broader high priority programme plan of improvement focused on ensuring the basics are in place for adult social care and to support the successful delivery of health and social care reform and integration. This plan is referred to in the Adult Services Directorate Business Plan which is being presented to Health Scrutiny Committee on 5 February and focuses on key improvement activities around processes, practice, workforce and resources.
- 3.5 Follow up work on Client Financial Services in relation to support of appointee cash delivery confirmed that actions had been taken to improve the controls. Internal Audit are assured that management have taken appropriate steps to ensure that recommendations have been fully implemented reducing the exposure to risk in this area.
- 3.6 A follow up of Homecare Framework Contract Management assessed progress made in implementing improvements in management controls. Internal Audit was able to confirm good progress had been made in some areas but one recommendation remained outstanding. Although this is considered to be partially implemented there remains further work to be done to assign appropriate resource to the completion of ongoing checks over variations between expected costs and actual payment requests. Management fully accept this needs to progress and are looking at options to best resource this.

#### **4 Children's Services**

- 4.1 Internal Audit provided a limited assurance for Early Years 30 hours funding based on concerns around the accuracy and robustness of the payments process including overpayments; the administrative burden caused by the manual nature of processes across the system (which significantly increased the risk of errors); and the lack of training that had been provided to staff delivering the service. Actions have been confirmed by management in response to these findings and will be followed-up by Internal Audit in six months to assess progress made to strengthen control.
- 4.2 The audit of the Assessed and Supported Year Employment (ASYE) programme was progressed. The one-year employer-led induction programme provides assessment and support to newly qualified social workers during their first year in employment and there are financial incentives paid by the Department for Education which can be claimed at the start and on completion of the induction programme. The fieldwork has been completed and the work will be reported shortly.
- 4.3 Following completion of a similar audit across Adult Services, the audit of Management Oversight and Supervisions was progressed in the period. The audit aims to provide assurance over arrangements for sufficient and appropriate supervision and management oversight and will be reported in quarter four.

#### **5 Education and Schools**

- 5.1 The traded Data Protection Officer (DPO) offer to schools has been in operation for five months with over 100 schools signed up to the offer in Manchester and Bolton. Development of contracts, model documentation and initial DPO meetings were completed as planned. Successful recruitment to the three Data Assurance Officer posts was finalised in the period and the new resources will be in place before year

end. In the interim this service has been delivered by officers from the audit teams who have managed this demand alongside existing commitments, albeit this has meant some slippage in the finalisation of some work which is being prioritised for completion by the Service in quarter four. Schools are actively seeking the advice and guidance offered through the DPO service and compliance visits are in the process of being undertaken, which alongside training and awareness activity, will be the core focus of the new officers during 2019.

- 5.2 The thematic audit of procurement in schools provided moderate assurance over procurement arrangements and activities. The root cause of the non-compliance was considered to be the limited knowledge of some key personnel engaged in high value procurement exercises and/or those expected to offer challenge, monitoring and oversight in a procurement exercise. Schools could explain the rationale for the method of procurement employed but were often unaware of Financial Regulations for tendering and what should be involved and so were not always in compliance with requirements. There was good understanding of the three quotations requirement for goods and services over £2000; however, feedback on this was that the volume of contracts and spending above this limited had an impact on resourcing and schools reported struggling with obtaining three comparable quotes, with some firms reluctant to provide these where winning work was not certain. Individual schools were given assurance opinions which varied with seven substantial; five moderate; and four limited opinions.
- 5.3 Audit work on unannounced cash handling reviews in a sample of schools was completed and work from quarter four was brought forward to enable this work to be concluded early. Findings were shared with each school following visits with some local recommendations made as necessary to enhance financial accounting, security and record keeping. Emerging themes and best practice will be shared with management in an overall report with an overall assurance opinion and Internal Audit also propose to issue a guidance note to all schools to share best practice and advice.

## **6 Corporate Core**

- 6.1 Following our work on Capital Strategy: Benefits Realisation we issued a moderate assurance over the articulation, tracking and reporting of declared benefits deriving from capital projects. It was recognised that the overall governance and delivery of the capital portfolio had been subject to significant review and change, with new systems embedding across the organisation. These are positive changes that we support but recognise that this will take time to embed consistently given the scale and breadth of the capital portfolio across ICT, highways, housing, development projects and other capital-funded activities.
- 6.2 There were three audits in relation to the Our Town Hall (OTH) project during the period. In the first OTH audit we reviewed the process for the appointment of the management contractor and independently verified the evaluation process used. We were satisfied that the process was impartial and robust with appropriate supporting records.
- 6.3 The second OTH review was a six month health check in which we gave substantial assurance over compliance with processes for change control; monitoring and use of contingencies; and monitoring of key project decisions which had been determined as key controls for the successful delivery of the project. We found that there were

adequate controls in all three areas with work done to develop and start to embed these. We provided some advice and made recommendations for further enhancing the use of the project management system and budget reporting as part of the process which are being considered by management.

- 6.4 The third planned audit was in support of the decant of the Town Hall heritage assets collection. The scope of work was to assess the adequacy of the controlled and secure removal of the assets. Internal Audit provided moderate assurance over the procedures and implementation activity. We acknowledged that a significant amount of work was carried out by a small team who worked well to develop and coordinate plans for the movement of a substantial collection of individual items safely and securely. The process was successful and the collection is now in long term, managed secure storage. The opinion was not higher because the process for removal had been impeded and complicated by inconsistent and incomplete historic asset records and the need to address a large volume of non-heritage assets also stored at the Town Hall before the process could be effectively completed. To support the process we made recommendations to strengthen controls in place which will enable consideration of medium and longer term decisions over asset management. In addition, alongside security, facilities management and insurance colleagues, the Service was engaged by the Town Hall team in developing the plans for the decant and offsite storage of the Town Hall silver collection. This was a clear and well defined process with appropriate security arrangements in place to protect the collection during packing and transfer off site.
- 6.5 Internal Audit have supported the profit recovery specialist firm we appointed who have begun work in reviewing supplier statements, identifying potential duplicate payments and potential unclaimed VAT. In the first month of this work approximately £60k has been identified as eligible for recovery and will be progressed as a result of the first analysis carried out. We will share outcomes with the City Treasurer to confirm decisions taken on recovery actions and will report outcomes to Audit Committee in due course.
- 6.6 The quarterly payroll review was carried out and reported. The findings did not indicate any systemic weakness in the operation of controls within the process and no concerns were raised. Further work will be carried out as planned for quarter four as part of the agreed continuous audit approach.
- 6.7 A number of grant certifications including URBACT 3 and the Factory were completed in line with plans. No significant concerns were found and each grant was certified. Further work on grant certifications will be carried out in quarter four based on timescales prescribed by funders. On EU grants we found there have been some challenges obtaining relevant supporting evidence from some partner countries and continue to monitor this and any impact on deadlines for certifications.
- 6.8 Internal Audit provided limited assurance in relation to progress on user acceptance testing phase 4 (UAT4) for development of the new Liquidlogic and Controc systems for social care services. We confirmed that there has been substantial progress in the design, configuration and build of the system, and the associated user testing. However, progress on development and delivery was behind schedule and there were a number of challenges for the project to address before any decision to 'go live'. Findings from our work were not unexpected by management as the project team and

ICT Board were aware of development issues arising. We understand from the latest project board that all parts of the system have now been installed ready for testing in UAT5. The Programme Manager has advised us that by the end of that phase, he will provide a formal update to Project Board and ICT Board on system readiness for implementation. We have made a recommendation to the Programme Manager on the information that we consider should be required for the Project Board to enable them to take informed decisions on the delivery of the project.

- 6.9 Internal Audit continued to offer advice and support in the quarter including further support for the implementation of the Leaving Care service following the transfer of service back into the Council from Barnardos in October 2018. We gave advice on some financial control arrangements and there has also been support provided by the Health and Safety service who have examined the building and made recommendations for a number of improvements which are under consideration. Consideration of the assurance requirements to support service delivery will be included in audit planning for 2019/20 working with the new management team to agree scope and timing.

## **7 Growth and Neighbourhoods; and Strategic Development**

- 7.1 Internal Audit provided limited assurance over governance arrangements supporting Highways Framework TC886. There was increased focus given to social value and the level of input and oversight from the Director of Operations to ensure the smooth operation of the framework. However, there were a number of key areas where further work was required to mitigate the inherent risks currently associated with the framework. There was a lack of certainty over the direct allocation process and how value for money could be demonstrated due to the lack of competition or a set pricing schedule and there remained restrictions over other authorities access to the framework. While there were plans to enable this to be achieved, further work was needed including confirmation of the governance of the management fee which will apply. Management recognise this and have agreed to action a recommendation to address this by the end of the year.
- 7.2 The wider improvement plans for the Highways Service are overseen by an Improvement Board that has been chaired by the Deputy Chief Executive. This Board oversees progress across a range of workstreams including workforce planning, systems, finance and governance with a remit to support management in development across all aspects of the service. Whilst the scale of activity being overseen is substantial this Board has progressed well and provides senior officer oversight of steps being taken to address a number of longstanding issues and risks across the Service given its critical importance to the delivery of Council priorities and objectives.
- 7.3 A review of the City Centre Review is underway. This aims to provide assurance over the governance arrangements in place to monitor delivery of the action plan agreed which covered the four key issues raised in the report relating to: Place (littering, alcohol and substance misuse, antisocial behaviour); Rough Sleeping, Homelessness and Begging; Public Realm; and Management and Governance. The City Centre Review report contained a number of proposals to drive improvements which led to the creation of an 'Implementation Plan' and establishment of the post of 'Manager of City Centre Public Services' as well as the City Centre Accountability Board. Fieldwork has been completed and will be reported shortly.

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

- 8.1 Internal Audit provided assurance over contract governance arrangements for Council framework agreements specifically in relation to roles and responsibilities, compliance with framework terms and oversight and monitoring. Three frameworks were used as the basis for the assurance work: Taxis; Highways (see 7.1); and Financial Services. An overall report was issued with limited assurance which captures the themes emerging from this work and from previous audit activities. Recommendations have been made to drive improvements which included the need for further clarification of the responsibilities of call off managers and framework managers; development of minimum expectations over framework delivery monitoring including social value; and the review and enhancement of guidance for allocation of work through frameworks. The social value aspect of contracts and in particular the arrangements for coordination, monitoring and oversight of social value commitments, has been the focus of a further audit that will be reported shortly and included in the next update to Committee.
- 8.2 Taxi Framework: We provided limited assurance over governance arrangements to support the corporate taxi travel framework contract. This was due to the limited contract management activity undertaken and the subsequent risk to ensuring compliance with contract conditions and achievement of value for money. Management confirmed that this contract was not prioritised for scrutiny at a detailed level because of the relative low value of spend. However, they accepted that there was a need to better demonstrate control over use and delivery of the contract to ensure that financial risks were effectively controlled.
- 8.3 Financial Services Framework: The level of monitoring over this framework carried out by the business was light touch as it was based primarily around the allocation of work and not the quality of services received. As a result of this limited view we could provide only a moderate level of assurance over the monitoring and assurance of this framework. We made a number of recommendations to mitigate risks around the allocation of work, monitoring quality and performance of the framework, insurance cover, and social value which were agreed by management who are working towards solutions.
- 8.4 We have provided advice to the Integrated Commissioning Team to assist work to improve corporate contract governance arrangements. We acknowledge the considerable work already undertaken by the Integrated Commissioning and Corporate Procurement teams seeking to raise contract management standards and awareness of contract related risks across the Council. As Internal Audit we contributed to development of guidance to be included in the Contract Management User Guide around whistleblowing and insurance requirements and will continue to provide further support as required. We were also invited to be involved in a working group set up to assist in the retender of the social transport framework. During the quarter we have also provided some summary observations on the proposed performance framework and governance structure for the leisure facilities contract and plan to undertake further work on this once this has had sufficient time to develop and embed.

## **9 Counter-Fraud and Investigations**

- 9.1 Counter fraud work continued through a programme of proactive and reactive activity in line with the annual plan and as referrals were received. Details are provided in the

Annual Counter Fraud report. A summary of key activity in the quarter is as follows.

### **Proactive**

- 9.2 Arrangements for the introduction of an e-learning tool as part of a wider programme of counter fraud training to promote both staff and Member awareness of fraud risk were completed. The training package has been included on the Council's e-learning platform and will be launched to all staff in quarter four.
- 9.3 The Council Counter Fraud Policies were refreshed to ensure that they remain relevant and up to date. A review by the whistleblowing charity Protect has confirmed that the policies remain fit for purpose, but they have made some helpful suggestions for improvements based on best practice. The revised suite of policies will be presented to Audit Committee for consideration in March.
- 9.4 Progress was made on a Counter Fraud communication plan aimed at launching refreshed Counter Fraud policies and Council-wide promotion of the on line training and the free independent confidential advice telephone line for employees.

### **Reactive**

- 9.5 Internal Audit continued to address reported allegations of fraud or wrongdoing following risk assessment and consideration of appropriate action in line with the agreed policy and procedures. Steps to investigate were taken by Internal Audit, service management or through the application of other policies, such as corporate complaints or dispute resolution, as appropriate. In all cases Internal Audit retained an overview of the approach and outcome of investigations. The two main areas of casework and key issues arising in the period are set out below.

### **Corporate Cases**

- 9.6 Internal Audit received 16 referrals of potential corporate fraud, theft or other irregularity in the third quarter; seven of these were considered whistleblowing allegations made either anonymously or from a named source and were handled under the Council's Whistleblowing Policy and Procedure. These were triaged, assigned and are being progressed.
- 9.7 As reported in quarter two a number of high risk cases were complex and have required a significant amount of audit resource to enable appropriate action to be taken. The nature of work remained similar to previous quarters and include concerns raised in respect of employee compliance with organisational policies and procedures; issues raised in respect of financial governance and decision making in schools; staff conduct and behaviours; use of contracts and contractors; and relationships with and activities of third party organisations. Progress updates and final reports are issued to the Chief Executive, City Solicitor, City Treasurer and Director of HROD and summary details will be provided to Audit Committee in 2019 as part of the Annual Counter Fraud Report.

## **Council Tax Reduction Scheme, Housing Tenancy and Right to Buy**

- 9.8 A total of 45 new referrals of fraud and irregularity in relation to Council Tax Support, Housing Tenancy Fraud and Right to Buy application fraud were received during the period October to December 2018.
- 9.9 In terms of outcomes the overall deliverables for the year to date:
- The Council is able to recover £13,000 of Council Tax Reduction overpayments.
  - £19,000 of wider public sector benefits, including Council Tax Benefit, Single Adult Discount, Housing Benefit and Discretionary Housing Payments has been identified as recoverable.
  - Investigation work has prevented four fraudulent applications for Right-to-Buy discount with a total value of £247,000 from being awarded.
  - Keys have been returned in relation to three properties, where it was alleged tenants were illegally subletting property. Notional value of savings is £108,000.
- 9.10 One of the right to buy cases progressed to prosecution in Manchester Crown Court in November where the applicant pled guilty to a charge of seeking to fraudulently obtain a £20k discount. The applicant received a six month suspended sentence with 200 hours community service. The summary of this case was issued as a press release but was not picked up by press or media. Nonetheless we will continue to draft press releases on such cases to highlight the actions that Council will take to investigate and prosecute offenders whose activities impact on the Council's ability to offer services and homes to Manchester residents.

## **10 Recommendation Implementation**

- 10.1 Internal Audit monitored implementation of recommendations, engaging with managers to assess exposure to risk in areas where actions remained outstanding and to explore options for mitigation of risk. Overdue recommendations are reported in more detail to Strategic Directors and Executive Members for consideration at six and nine months overdue as necessary. A separate report to Audit Committee provides details of the progress and actions to implement overdue high priority recommendations
- 10.2 The number of critical, major or significant priority recommendations fully implemented was 64% with a further 17% partially implemented. This is an increase on the last quarter and demonstrates the ongoing commitment from management to addressing areas of exposure to risk. The details of progress and areas of challenge to effective implementation are contained in the recommendation report.
- 10.3 The figures below show the total number of recommendations due for implementation and status of those recommendations at the end of December 2018 based on information and evidence at that time. There are a larger number of recommendations outstanding than in July but we can report that progress continues to be made and managers are generally engaged in the implementation process.

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







Directorate	Number	Implemented	Partially Implemented	Referred Back to the Business	Outstanding
Corporate Core	43	30	3	5	5
Children's Services	19	11	3	0	5
Adult Services	20	12	6	0	2
Growth/Neighbourhoods	26	16	6	0	4
<b>Total</b>	<b>108</b>	<b>69</b>	<b>18</b>	<b>5</b>	<b>16</b>
		<b>64%</b>	<b>17%</b>	<b>4%</b>	<b>15%</b>





## 11. Recommendation






- 11.1 Members are requested to consider and comment on the Internal Audit Assurance Progress Report to 31 December 2018.

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**Appendix One: Audit Status, Opinions and Capacity to Improve (where assessed)**

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Children’s Services			
Troubled Families Validation of Performance Data 2017/18	Final	Moderate 	Medium
Early Help 2017/18	Final	Moderate 	Medium
Children Missing from Home or Care 2017/18	Final	Moderate 	Medium
MASH follow up 2017/18	Final	Limited 	Medium
Early Years 30 Hours Funding	Final	Limited 	Not Set
Troubled Families Follow Up	Final	Not applicable	
Risk Management (Children’s)	See Corporate Risk Management Audit		
Management Oversight and Supervisions	Fieldwork	Set at Draft	Set at Final
Assessed and Supported Year in Employment (AYSE) compliance	Fieldwork		
Planning for Permanence	Planning		
Protect / Complex Safeguarding	Planning		
Getting to Good Plan	Planning		
Education, Skills and Schools			
Penalty Notices for Unauthorised Absence (Schools)	Draft	Moderate 	Set at Final
Thematic School Audit: Procurement	Fieldwork Complete	Set at Draft	Set at Final
Thematic School Audit: Cash	Fieldwork Complete		
Off Rolling of Pupils	Planning		







Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Annual Schools Financial Value Standard (SFVS) Return 2019	Planning	Advice and Guidance	
Special Education Needs	Planning	Advice and Guidance	
Adults			
MHCC: Governance Arrangements 2017/18	Final	Moderate 	Not set
Manchester Health and Care Commissioning: Operational Plan 2017/18	Final	Substantial 	Not set
Support to MHCC and LCO Assurance Framework Development	Fieldwork: Ongoing Advice and Guidance		
Management Oversight and Supervision	Draft	Limited 	Set at Final
Mental Health Casework Compliance	Draft	Limited 	
Transitions: Follow Up	Fieldwork Complete	Set at Draft	
Risk Management (Adults)	See Corporate Risk Management Audit		
Client Financial Services: Pre Paid Cards- Follow Up	Draft	Set at Draft	Set At Final
Supported Accommodation Quality Assurance Framework LD	Fieldwork	Set at Draft	Set at Final
Mental Health Panels – Decision Making	Planning		
Quality Assurance Framework	Planning		
Homelessness Reduction Act compliance	Planning		
Local Care Organisation: SLA	Not started		
Local Care Organisation: Governance Arrangements	Not started		
Deprivation of Liberties (DoLs) - New	Planning		

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Adult Social Care – Resource Allocation System and Panel Decision Making	Scope and timing under review		
Adults Social Care Panels (RAS) – Compliance			
MHCC Financial Framework Compliance	Planning	Set at Draft	Set at Final
MHCC Financial Sustainability Plan Delivery	Planning		
Risk Management (Adults)	See Corporate Risk Management Audit		
Manchester Service for Independent Living (MSIL)	Deferred to Q1 2019/20		
Core			
IR35 Compliance – Advice & Guidance 2017/18	Final	Not Set	
Disclosure & Barring Service 2017/18	Final	Moderate 	N/A
Grant Certifications - Greater Manchester Pension Fund	Final	Certified 	N/A
Payroll Continuous Auditing – Quarter One	Final	Not Set	
Core Systems - Payments (Purchase Cards)	Final	Moderate 	High
Grant Certifications – Arts Council Factory Project 2017/18	Final	Not Set	
Grant Certifications - Growth Deal	Final		
Grant Certifications - Carbon Reduction Commitment	Final		
Grant Certifications - URBACT III (Claim Q2)	Final		
Payroll Continuous Auditing - Q2	Final		
Overtime: Compliance	Final	Full 	Not Set
Our Town Hall: Decant and Disposal (Portable Assets)	Final	Moderate 	High

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Housing Revenue Account - Financial Administration	Final	Substantial <div></div>	Not Set
Payroll Continuous Auditing - Q3	Final	Not Set	
Capital Strategy – Benefits Realisation	Final	Moderate <div></div>	High
Our Town Hall – Appointment of Management Consultant	Final	Assurance Review: Positive Assurance <div></div>	
Our Town Hall – Six Month Health Check	Final	Substantial <div></div>	Not Set
Grant Certifications - Revolving Investments in Cities of Europe (RICE)	Final	Not set	
Risk Management (Core)	Fieldwork complete	Set at Draft	Set at Final
Core Finance Systems - Payments (SAP) BACS	Fieldwork started		
Core Finance Systems - Revenue Budget Monitoring	Fieldwork started		
Core Finance Systems - Benefits and Risk Based Verification	Fieldwork started		
Annual Governance Statement	Fieldwork Started		
Payroll Continuous Auditing - Q4	Planning		
Our Manchester Grants - Outcome Monitoring	Not started		
Our Manchester - Performance Management Framework	Not started		
Grant Certifications - URBACT III (Claim Q4)	Not started		
Recruitment and Selection	Deferred to Q1 2019/20 Subject to Audit Committee Comments		
ICT and Information			
Liquidlogic – Data Migration & Testing (Phase 1) 2017/18	Final	Moderate <div></div>	Not set
Application Audit – One System 2017/18	Final	Moderate <div></div>	High

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Application Audit – SAP 2017/18	Final	Moderate 	Medium
Mobile Connections: Follow Up	Final	Not set	
Going Google 2017/18	Final	Position Statement	
LiquidLogic Position Statement	Final		
Liquidlogic and ContrOCC (Data Migration and User Acceptance Testing - system finalisation phase)	Draft	Limited 	Set at Final
PSN Code of Connection	Fieldwork Started	Set at Draft	Set at Final
Cyber Security	Planning		
Application Audit - GSuite	Planning		
GDPR - Post Implementation Compliance Review	Planning		
Data Retention and Disposal	In GDPR review		
Data Centre Replacement	Not started	Set at Draft	Set at Final
Software Licensing: Follow Up	Deferred to 2019/20		
Growth and Neighbourhoods			
Retail Market Income 2017/18	Final	Moderate 	High
Our Town Hall – Governance	Final	Position Statement	
Our Town Hall – Security	Final	Substantial 	Not Set
Risk Management (G&N)	See Corporate Risk Management Audit		
Leisure Contract Performance Management	Advice and Guidance		
Strategic Development			

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Income and Debt Management: Investment Estate 2017/18	Final	Moderate <div></div>	High
Grant Certification – Disabled Facilities Grant	Final	Certified	Not Set
Risk Management (Strategic Dvt)	See Corporate Audit		
City Centre Review - Governance	Fieldwork Complete	Set at Draft	Set at Final
Northwards Programme and Project Health Check	Not started		
Capital Project Health Checks and Payments	Not started		
Highways			
Highways Pothole and Patching 2017/18	Final	Moderate <div></div>	Medium
Grants Certification - Cycle City	Certified	Positive Assurance: Certified without Exceptions	
Grants Certification - Highways LTP Capital Maintenance			
Grants Certification – Pot Hole Action Fund			
Highways Capital - Project Health Checks and Payments	Planned	Set at Draft	Set at Final
Highways Revenue Contracts - Award of Work/Monitoring Payments	Planned		
Grant Certification - Highways Maintenance Efficiency Grant	Planned		
Grants Certification - Highways Challenge Fund	Cancelled – No certification required		
Grants Certification - Highways Local Pinch Point	Cancelled – No certification required		
Procurement, Commissioning and Contracts			
Contract Management – HROD	Final	Moderate <div></div>	High
Contract Management – Galleries	Final	Moderate <div></div>	High

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Multi Links Commissioning – Advice and Guidance	Final	Not Set	
Contractor Insurance Arrangements	Final	Limited 	Medium
Contractor Whistleblowing Arrangements	Final	Limited 	Medium
Factory Project: Governance Arrangements	Final	Moderate 	High
Homecare Contract Follow Up	Final	Not applicable	
Highways Framework	Final	Limited 	High
Taxi Framework	Final	Limited 	High
Financial Services Framework	Final	Moderate 	High
Frameworks Contract Governance – Overall Report	Draft	Limited 	High
Corporate Contract Development	On going Advice and Guidance		
Social Value	Fieldwork Complete	Set at draft	Set at final
Assurance Mapping (Contracts)	Fieldwork		
Procurement Fraud: Spend Review	Planning		
Public Contracts Regulations Compliance	Deferred to 2019/20		

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**Manchester City Council  
Report for Information**

**Report to:** Audit Committee 11 February 2019

**Subject:** Internal Audit: Manchester Support for Independent Living (MSIL) Risk Assessment and Audit Plan

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

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**Summary**

Internal Audit were asked to provide a report to Audit Committee summarising the rationale for deferring an audit of MSIL until 2019/20 and replacing this with an audit of Deprivation of Liberties Safeguarding, to explain the basis of the risk assessment and alternative means of assurance.

**Recommendations**

Members are requested to note the rationale behind the decision to move the audit of MSIL into audit planning for 2019/20.

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**Wards Affected:** All

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**Contact Officers:**

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

Documents used in the development of the assurance report include:

- Internal Audit Annual Assurance Report 2017/18
- Internal Audit Plan 2018/19
- Internal Audit Progress Report November 2018
- Manchester Health and Wellbeing Board: Health and Housing Report 31 October 2018

## **Internal Audit: Manchester Service for Independent Living (MSIL)**

### **1 Introduction**

- 1.1 This report provides the basis of a decision to remove a planned audit of Manchester Service for Independent Living (MSIL) from the 2018/19 Annual Audit Plan and replace it with an audit of Deprivation of Liberties Safeguarding (DoLS).

### **2 Background**

- 2.1 The Council receives specific funding through the Disabled Facilities Grant (DFG) from Central Government that is used to help fund essential housing adaptations aimed at helping to ensure that disabled people are supported in staying in their own homes. Adaptations on the basis of assessed needs can include stair lifts or extension works for accessible bathrooms. The grant awards and works are overseen and managed by the Council's Manchester Service for Independent Living (MSIL) service (formerly known as Manchester Equipment and Adaptations Partnership (MEAP)).
- 2.2 The process for delivery of adaptations was changed in 2016 with a decision that these would be delivered directly by three assigned registered housing providers (RPs). The new process is now operational. The change was based on the assessment that the service could be more cost effectively delivered by RPs and that the process would be more efficient in terms of time.
- 2.3 Following redesign by social landlords and the Council, the MSIL team works closely with three RPs who are the designated delivery partners and manage the service on behalf of all social landlords in the City. The arrangement includes a 40% contribution from the RPs toward works in their properties which means that the available DFG funding should go further as a result. MSIL team continue to provide needs assessments for all citizens and a full installation service for owner occupiers and private landlords.
- 2.4 Council tenants are not eligible for DFG funding for adaptations so there is a separate fund provision from the HRA to fund works to homes owned by the Council. Northwards Housing is the delivery partner for these homes and the process mirrors that arranged with the RP delivery partners.
- 2.5 A number of internal audits have been carried out on the systems and processes operated by MEAP in previous years and in support of the redesigned system. It was agreed as part of the audit planning process that there would be a further audit of the new arrangements to provide independent assurance during 2018/19. However, as part of regular liaison with the Director of Adult Services she identified that there was a higher risk identified linked to statutory responsibilities in the Deprivation of Liberties (DoLS) process on which she would welcome an independent assurance opinion. As a result, it was requested that the assigned resources be used for that work. Internal Audit agreed with the risk assessment and proposed that the MSIL audit be moved to 2019/20 as a result.

### **3 Risk Assessment and Assurance**

- 3.1 The rising costs and pressures on the DFG had led to the clear need to enhance and

ensure value for money in the provision of adaptations. Historically the delays between assessment; appointment of contractors; and delivery had led to a number of concerns being raised about the effectiveness of controls in place and low levels of assurance being given to the service remained an issue. The service remains a critical priority as it offers support for vulnerable citizens in enabling them to stay in their own homes and the changes put in place were welcomed as an opportunity to provide a more efficient service.

- 3.2 The risks and issues in systems and processes had been well documented and subject to a number of audits as well as formal management and Member scrutiny in the last five years. Recent internal audit work reported an improvement in the level of assurance and in the systems of control but recognised that there was further work to do in strengthening controls and embedding the new ways of working with partners. Action was underway in addressing this and as part of follow up of previous audit recommendations, Internal Audit had received evidence that confirmed a positive direction of travel.

Audit Assurance: DFG: Change of Provider (March 2017)

- 3.3 An audit of 'DFG: Change of Provider' provided moderate assurance over the new arrangements and Internal Audit supported the proactive work undertaken to develop the new processes. The assurance level was based on the changes in governance arrangements and processes which had been developed by the Housing Investment Team (HIT) who provide oversight of arrangements. HIT had no previous role but had developed an appropriate system for authorising and monitoring delivery of works. There were service level agreements in place with the three RPs; performance meetings were held with HIT, MSIL and RP representatives; there was a clear process for delivering adaptation needs; and there were clear records of works including authorisations. These were significant improvements for the service however concerns remained about timeliness with assessments taking an average of seven months; how variations were controlled including additional costs; and a need to improve invoice and payment processes between the Council and RPs. The service level agreements also needed amendment to reflect the 40% cost requirement from the RPs. The HIT needed to complete planned work on standardisation of documentation used by RPs and ensuring that all relevant information was provided. It was accepted that there was work to do to strengthen the management oversight and control arrangements, including development of key performance indicators. As a result, it was proposed that a follow up audit would be carried out to assess progress.

Audit Assurance: Contractor Selection and Award – MSIL (May 2017)

- 3.4 A substantial assurance was provided in an audit of 'Contractor Selection and Award – MSIL which demonstrated improvement to the controls over how building adaptation works were awarded. There was a high level of assurance for this based on the changes which had been made and a recognition of more development work to be done. In the opinion of Internal Audit, the historic concerns were being addressed with the changes put in place. In particular, we placed reliance on action to implement new contractor frameworks, specifically TC840 (Supply and Installation of Lifts and Hoists) and TC843 (Supply and Installation of Equipment and Adaptations) which were tendered and went live in 2016.

### Audit Assurance: Annual DFG Grant Audits

- 3.5 Annual audits of the DFG grant expenditure (last certified September 2018) were carried out by Internal Audit and a sample tested as part of the process. This work did not identify concerns in relation to eligibility and records. As a result, spend was certified as in line with grant conditions for the last three financial years.

### Other Assurances

- 3.6 As with all audit and assurance work, Internal Audit consider other sources of assurance; whether from management, from other Core services within the Council, external party inspectors and regulators; and from oversight exercised by senior management and Members, including scrutiny committees.
- 3.7 On this basis, assurance has also been obtained from the regular meetings held by the Independent Living Service Performance Board which was set up in part to oversee the transformation of the service and reviews delivery and service development to inform assurance. Attendees include Council officers from MSIL and HIT as well as RP representatives and provides a forum for challenge and resolution of issues arising. These meetings are informed by reports provided by HIT including performance reporting; customer satisfaction survey results; and quality and value for money assessments. This enables senior officers working with partners in RPs to assess delivery; manage budgets and assess quality. Internal Audit support this as an example of good governance.
- 3.8 Further assurance has been taken from the inclusion of MSIL on the Council's Register of Significant Partnerships. MSIL arrangements include a partnership between the Council and Manchester CCG for the provision of a community equipment service to children, young people, adults and older people. As a formal partnership MSIL is subject to further oversight through the Significant Partnership governance process overseen by the Council's Performance, Research and Intelligence Service. It was reported to Audit Committee in November 2018 that progress has been made and overall governance remained robust. Work was ongoing in further developing clear responsibilities and priorities across the partnership and an update will be reported to Audit Committee as part of ongoing oversight and reporting.

## **4 Rationale for Decision Making**

- 4.1 The internal audit of MSIL was planned for 2018/19 to assess progress and provide an updated assurance opinion on prior year work. The aim was to provide an updated view of progress in embedding new arrangements and this was supported by the then Director when originally agreeing to the draft audit plans in March 2018, though the detailed scope had not been developed at that time. Subsequently in review of the work programme with the new Director for Adult Services and consideration of timing it was highlighted that there was a higher level of concern over the effectiveness and control over Deprivation of Liberties Safeguarding (DoLS) processes and it was requested that this system be audited in advance of MSIL.
- 4.2 The risk assessment carried out by Internal Audit to consider the request included an assessment of current audit business assurances as above, complexity of the systems and the potential exposure to risk. The outcome informed a decision about where audit resources were best allocated in quarter four. MSIL was considered to be under clear

and effective management control with active involvement of HIT, MSIL and RPs in monitoring delivery and ensuring standards were met. Assurance was obtained that reporting lines to the Independent Living Services Performance Board, Adults Services Directorate Management Team and Manchester Health and Wellbeing Board were operating as intended. There was recognition by Internal Audit that there were still know areas for improvement in the adaptations process including confirming revision and agreement of service level agreements; strengthening arrangements for management of variations; and assessment of key performance indicators that led to the decision to defer rather than cancel the audit.

- 4.3 The assessment of risk for DoLS carried out by the business was deemed to present a potentially higher exposure to risk for citizens and to the Council and it was agreed with management that an opinion on current operational activity would support an assessment of Council compliance with statutory duties. Internal Audit could add value to immediate solutions under development in this service area and it was decided to agree to the reassignment of available audit resource with relevant skills in this area to deliver that audit first.
- 4.4 Based on the risks there is no proposed change in the decision that the MSIL system should be subject to formal independent review. As a result, it was determined to reschedule the audit to the early part of the 2019/20 audit programme of work.

#### **4. Recommendation**

- 4.1 Members are requested to note the rationale behind the decision to move the audit of MSIL into audit planning for 2019/20.

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## Manchester City Council Report for Information

**Report to:** Audit Committee 11 February 2019

**Subject:** Outstanding Audit Recommendations

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

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### Summary

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

This report summarises the current implementation position and arrangements for monitoring and reporting internal and external audit recommendations.

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### Recommendations

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

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### Wards Affected: All

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### Contact Officers:

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

Documents used in the development of the assurance report include:

- Outstanding Audit Recommendations Reports to Audit Committee July and November 2018

## **1 Introduction**

- 1.1 Audit Committee are provided with regular reports on actions taken to address outstanding high priority recommendations made by both Internal and External audit. Audit Committee have agreed to focus on agreed actions which had not been implemented within nine months of the due date. Where this is the case the relevant Strategic Director and Executive Member are to attend Audit Committee to explain the reasons for delay and to confirm proposed actions.
- 1.2 Details of progress on all individual outstanding recommendations are provided to Strategic Management, Executive Members and Audit Committee to enable oversight of progress to address exposure to risk. High priority represents those recommendations classified by Internal Audit as significant, major and critical and deadlines are those agreed with the business at the time of the audit. This report provides these details.
- 1.3 The report focuses solely on Internal Audit recommendations as there are currently no External Audit recommendations outstanding.

## **2 Process**

- 2.1 Internal Audit follows up management actions on agreed high priority recommendations formally at least quarterly to provide independent assurance that progress is being made to address risk. Management are required to provide evidence to support and confirm implementation to enable an assessment of sufficiency of actions taken. Internal Audit consider this evidence and may re-test systems and controls on a risk basis to provide assurance that agreed improvement actions have been implemented and are operating effectively.
- 2.2 Progress made in the implementation of agreed actions from audit reports is reported quarterly to Directorate Management Teams (DMTs), Senior Management Team (SMT) and Audit Committee. For any high priority recommendations reaching six months overdue Executive Members are notified for information. At nine months overdue, Strategic Directors are required to attend Audit Committee with the relevant Executive Member to explain the position and any actions being proposed to address or accept the reported risks.
- 2.3 If recommendations are not implemented within 12 months of the due date and subject to any additional requirements or actions agreed by Audit Committee, Internal Audit refer the risks back to Strategic Directors to consider as part of their own assurance risk assessment.
- 2.4 Strategic Director assurance over the implementation of recommendations is also obtained as part of annual governance statement questionnaires completed by all Heads of Service, the results of which are summarised in the Council's Annual Governance Statement.

### 3 Current Implementation Position

- 3.1 The position in terms of high priority internal audit recommendations is summarised below and provided in more detail in the appendices attached to this report.

#### **Implemented Recommendations (Appendix 1)**

- 3.2 Since the last update in November 2018 Internal Audit has confirmed that there have been 18 high priority recommendations implemented in 11 audits as follows:

- North West Foster Care Framework Contract Monitoring Review (1)
- Contract Creation and Formalisation (1)
- HROD Contract Management (1)
- SAP Expenditure Approval (1)
- Data Analysis: Mobile Devices (1)
- Expenses Compliance (1)
- IR35 Compliance (2)
- LiquidLogic Data Migration (4)
- Purchase Cards (3)
- Events Management (2)
- MASH (1)

- 3.3 Of particular note are that recommendations relating to Contract Creation and Formalisation; North West Foster Care Framework Contract Monitoring; Liquid Logic Data Migration; and Events Management as areas of focus in previous Audit Committee meetings have now been assessed and evidenced as implemented.

#### **Outstanding Recommendations**

- 3.4 In total 33 recommendations in 18 audit reports are currently overdue past the agreed implementation dates as follows:

- One recommendation which has been outstanding over nine months
- Five recommendation are six to nine months overdue
- 27 recommendations are between one and six months overdue

- 3.5 Internal Audit has provided updates on the status of all recommendations where appropriate in the latest DMT assurance reports or in correspondence and continue to liaise with management to establish progress and evidence of implementation.

### **Overdue More than Nine Months (Appendix 2)**

- 3.6 There is one recommendation more than nine months overdue. This relates to the MASH where the recommendation remains partially implemented 15 months past the original agreed implementation date. Action has been ongoing and Internal Audit have been informed that the new process agreed to address risks raised in the original report is now in operation and the first management audit will be completed shortly. When this is completed and reviewed by Internal Audit in February this should enable us to confirm the action has been implemented and that all high priority recommendations raised in the original Internal Audit report have been addressed.

### **Overdue for 6 – 9 months (Appendix 3)**

- 3.7 Five recommendation have been overdue for between six and nine months in two reports. The Director of Adults Services has previously attended Audit Committee to advise on actions being taken in response to issues raised in these two reports and reasons for the time taken to fully implement agreed actions.

- Homecare Service Contract Management (1 partially implemented)
- Transitions (2 not implemented, 2 partially implemented)

### **Overdue less than 6 months (Appendix 4)**

- 3.8 27 recommendations have been overdue for between one and six months in 15 audit reports. Some of these reports also include additional recommendations which have not yet fallen due or include moderate risk recommendations and all have agreed action plans. The recommendations are all shown in appendix four and relate to the following:

- Art Gallery Contract Management (4: 3 partially implemented)
- HROD Contract Management (2 partially implemented)
- ICT Software Licensing (2)
- Factory Governance Arrangements (1 partially implemented)
- Multi Links Commissioning Review – Advice and Guidance (2)
- Retail Markets (1 partially implemented)
- Insurance Arrangements in Contracts (1 partially implemented)
- Contractor Whistleblowing Arrangements (2: 1 partially implemented)
- Disability Supported Accommodation Services: Quality Assurance Framework (2 partially implemented)
- Early Help (3 partially implemented)
- Troubled families (1 partially implemented)
- Children Missing from Home (2: 1 partially implemented)
- Purchase Cards (2)
- Transition (1)
- Income and Debt Management (1)

#### **4 Recommendations**

- 4.1 Audit Committee are asked to note the current process and position in respect of high priority Internal Audit recommendations

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## Appendix 1 – Implemented Recommendations

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
SAP Expenditure Approval  27 February 2018	30 May 2018	We recommend that, once relevant training and guidance has been produced, the Organisational Development Manager should ensure that there is a programme for cost centre managers to undertake refresher training (we would suggest that initially this is offered to cost centre managers to allow those with a self-identified need to obtain the training first).	A range of development modules are to be introduced by 30 May 2018 to support managers and leaders in managing the finances of the Council. This will include the training for cost centre managers as recommended.	Training material has been developed and is being delivered to managers as part of the corporate management and leadership training programmes.  <b>Internal Audit Opinion:</b> Implemented	No further action required
Data Analysis: Mobile Devices Billing and Usage  31 October 2017	31 March 2018	ICT should ensure that online billing management data accurately reflects the ownership of mobile device connections (as notified to them).  ICT should agree a process to terminate unused connections.  The findings for this report required a coordinated approach from various elements of the Council to address them. Internal Audit facilitated a workshop for relevant officers (including those from ICT, HROD, and Finance) to produce and agree the management response to address the issue. As such this recommendation was not explicitly stated but was discussed in the workshop where the response was agreed.	To obtain SMT support to undertake the necessary activity to address existing data issues. ICT plan to take a risk based approach, ensuring data is correctly recorded for new connections and that changes in ownership can be accurately captured. Focus will then be maintained on the connections using highest data, and those which appear unused. Following this, the impact of changes made will be assessed and further action proposed to ICT Board based on the level of improvement achieved.	Our dedicated follow up audit confirmed that ICT had carried out their own analysis of remaining potential data quality improvements in this area. The scale of these was residual as most of the work was now complete.  <b>Internal Audit Opinion:</b> Implemented	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Expenses: Compliance Audit  22 August 2017	30 April 2018	The Head of Organisation Development should ensure that there are training opportunities in place to make managers aware of key aspects of expenses policy and procedure. This should consider any required amendments following the implementation of MiPeople, including claimant retention of supporting evidence. All employees and managers should be made aware of any changes to the arrangements for dealing with expenses, and updated policies and procedures should be documented.	Financial training for managers is currently being developed, which will include some content on the roles and responsibilities of managers around the approval of expenses. The Management Induction programme will also include this area. In addition, HR Business Partners will cascade this recommendation through Directorate Management Teams. This will be set in the context of broader corporate work to emphasise the roles and accountabilities of managers.	Training material has been developed and is being delivered to managers as part of the corporate management and leadership training programmes.  <b>Internal Audit Opinion:</b> Implemented	No further action required
IR35 Compliance Review  26 June 2018	30 September 2018	Once a corporate process owner has been designated they should determine how and where evidence should be retained to document compliance with the legislation. They should also be clear over who has responsibility for ensuring that this evidence is obtained and stored in the appropriate location. Consideration will also need to be given to the types of evidence that are required and whether any central monitoring or access to the evidence will be required.	Available guidance will be reviewed and updated to include the retention of evidence to support the IR35 decisions.	The Director of HROD has supplied a copy of the draft updated guidance for IR35. This substantially addresses the recommendation we have made. We were informed that the guidance has been presented to and approved by SMT and as such the recommendation is now implemented.  <b>Internal Audit Opinion:</b> Implemented	No further action required
IR35	30	Guidance on IR35 should be	Available guidance will be reviewed	The Director of HROD has supplied a	No further

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Compliance Review  26 June 2018	September 2018	expanded to ensure that all hiring managers are clear that they should retain evidence to support their decisions and how this should be stored to ensure that compliance can be confirmed should the decision be queried at any point in the future. Care should be taken to outline the types of evidence that should be retained (e.g. a copy of the contract terms or declaration from the umbrella company, or copies of the HMRC determinations) while making clear that each case must be treated on its own merits and as such evidence requirements may differ for different situations. Guidance should also reflect known common situations and how these should be treated, e.g. consultants hired through umbrella companies and the requisite confirmations required to show that our duties towards the consultant with regard to IR35 have been discharged. The guidance should also state that where there is a change to the terms of the agreement a new decision will be required. It is also recommended that the guidance when expanded is made available through the HR, Procurement and Shared Services intranet pages regardless of which department takes central responsibility for the process.	and updated to include the retention of evidence to support the IR35 decisions.	copy of the draft updated guidance for IR35. This substantially addresses the recommendation we have made. We were informed that the guidance was being presented to and approved by SMT and as such the recommendation is now implemented.  <b>Internal Audit Opinion:</b> Implemented	action required
North West Foster Care Framework –	30 June 2017	Management should review the current risk evaluation process which is used to drive provider monitoring visits. In	To hold a risk workshop with support from Internal Risk.	Since our last update report to Audit Committee the service has provided a tracker showing responses to the self-	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Contract Monitoring Review 25 January 2017		<p>reviewing the current approach this should seek to ensure the following is taken into account:</p> <ul style="list-style-type: none"> <li>• Number of placements and value of spend;</li> <li>• Criteria, including related assurance activity, including sources of intelligence and information received through care workers, other Contracted Local Authorities (CLA) or Placements North West;</li> <li>• 'Joined up' assurance - Clarifying the role of Placements North West / other CLAs to determine their approach to monitoring.</li> <li>• Management quality assurance reviews of ratings assigned to Providers to ensure consistency across the team;</li> <li>• Maintaining of evidence to support the basis for risk ratings;</li> <li>• Expectations over the type and frequency of contact with a Provider."</li> </ul>	<p>To develop assessment of risk based on agreed criteria taking into account audit recommendations.</p> <p>Agree standard expectations for provider visits.</p> <p>To ensure that the process is joined up with Looked After Children (LAC) reviews.</p> <p>To collaborate with other Local Authorities and Placements North West.</p>	<p>assessment, criticality ratings and visits that have occurred. We were also informed that the google forms for completion by the IRO has been finalised and distributed for completion. This has provided assurance that the risk evaluation process is now running as planned and as such we have implemented the recommendation.</p> <p><b>Internal Audit Opinion:</b> Implemented</p>	
Contract Creation and Formalisation  12 January 2018	1 June 2018	<p>The Head of Legal Services and the Head of Corporate Procurement should put together an improvement action plan for approval by the City Solicitor and City Treasurer to address areas of non-compliance in relation to the Council's financial regulations and procurement rules and associated risks. This should include consideration of the proposals set out</p>	<p>A shared improvement action plan will be put in place to set out the required actions, key deliverables and associated business owners and timelines for implementation. This will include the key actions listed below;</p> <ul style="list-style-type: none"> <li>• Consideration will be given to</li> </ul>	<p>Since our last update Integrated Commissioning have confirmed that commissioning pipelines are now in place and are being shared through the Commercial Board. The Commercial Board secretariat has undertaken work to collate delegated authority letters which has clarified authorisation over contracts for all directorates. The Constitution has also been amended to</p>	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<p>below which were identified during the risk workshop as potential mitigating actions and changes to process and practice.</p> <p>Re-examine the Council's existing Contract Procurement Rules to ensure they remain appropriate and fit for purpose. In particular;</p> <ul style="list-style-type: none"> <li>Any necessity to adjust financial limits at which contracts require written 'sign off' or sealing by Legal Services.</li> <li>Consider delegations for Officers with authority to sign contracts on behalf of the Council.</li> <li>Decide whether a more risk based approach should be adopted.</li> <li>Review the existing requirement that 'All contracts must be concluded formally in writing before the supply, service or construction work begins, except in exceptional circumstances and then only with the written consent of the City Solicitor'</li> </ul> <p>A forward plan of procurement activity should be developed and shared to support Legal Services in the planning and resourcing of caseload. This could be linked to the current Key Decision and Forward Planning processes. This could be used to support</p> <ul style="list-style-type: none"> <li>Earlier engagement and involvement with Legal</li> </ul>	<p>assessing the current levels and criteria as set out in the Constitution, and whether any revisions or supplementary guidance will be necessary to assist with the process.</p> <ul style="list-style-type: none"> <li>Protocol to be agreed and developed between Legal and Procurement to set out expectations around timescales, documents required, completion arrangements and communication between legal services and the client.</li> <li>A request for Legal services to execute a contract requiring sealing can be made using a "standardised request form" which will be drafted and agreed between Legal and Procurement. This form should be forwarded to Legal prior to approval being given for the contract to be entered into, which will allow sufficient time for Legal to process the contract ready for issuing at the end of the call in period. Procurement should also advise Legal of the full details of the successful tenderer as soon as possible.</li> <li>Integrated commissioning to include reference to the contract</li> </ul>	<p>make the requirements of commissioners and contract managers clearer. A contract criticality tool has been introduced which could be used to help assess which contracts were higher risk to help ensure these were prioritised for sign off. Officers from Legal Services and Corporate Procurement have agreed a procedure for finalising/sealing MCC contracts and framework agreements. Both parties agreed the protocol should help to smooth out the process.</p> <p><b>Internal Audit Opinion:</b> Implemented</p>	

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<ul style="list-style-type: none"> <li>• Better timetabling and more effective work planning</li> <li>• Reduced timescales for producing formalised agreements</li> <li>• Risk profiling of upcoming contracting and procurement activity.</li> </ul> <p>Consider whether the introduction of a standard form of contract for more straightforward low risk/value contracts would be beneficial to avoid 'overworking' of contracts and allow these to be completed without the necessity for Legal involvement.</p> <p>The outcomes of the risk workshop cited several process, procedure and general administration issues which impacted on the time taken to complete the formalisation stage. We recommend that these areas are explored further to develop expectations during the process and implement revised ways of working.</p> <ul style="list-style-type: none"> <li>• Improved communication between Legal, Corporate Procurement and client departments to ensure all parties are kept informed of progress and issues to be resolved.</li> <li>• Understanding reasons where significant delays exist.</li> <li>• Formal notification to the client department that the contract sign off stage has been completed.</li> </ul>	<p>creation and formalisation process in the contract specification document and guidance. This should clearly set out the importance of early engagement and collaboration between legal, procurement and the contract owner.</p> <ul style="list-style-type: none"> <li>• Integrated Commissioning will include the requirement to seek approval for work to begin as a requirement in guidance to contract managers.</li> <li>• Once the protocol and guidance are agreed and implemented officers must be aware of their requirements and expectations to reduce risk to MCC.</li> <li>• Consideration should be given to setting up and maintaining a corporate contracts register. Legal Services are looking to develop a system to run alongside that process for additional resilience.</li> </ul>		

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<ul style="list-style-type: none"> <li>Ensuring the latest version of the contract is shared with the client department to ensure they are monitoring against the correct terms and conditions.</li> <li>Retaining an electronic copy of the signed contract to ensure that there is appropriate back up should the team be unable to access the hard copy documents for any reason.</li> <li>Development of guidance to explain the contract formalisation stage and outline some of the common issues involved in the process and how they could be avoided.</li> <li>Legal administration of caseload including, caseload allocation, prioritisation, recording and progress monitoring.</li> </ul>			
Liquidlogic Data Migration – Phase 1  10 May 2018	31 May 2018	The Programme Manager should secure agreement from the Project Steering Group on a single officer to act as the project SRO.	A meeting has been held with Head of ICT Delivery and ICT Chief Information Officer (CIO) to discuss. The CIO will write to Strategic Director of Children's Services and Director for Strategic Commissioning and Director of Adult Social Care to agree who should be the single SRO for this project. Steering Group to be re-convened and chaired by Tyrone Griffiths (ICT Head of Delivery).	Director of Children's Services has been appointed as the single SRO for the project.  <b>Internal Audit Opinion:</b> Implemented	No further action required
Liquidlogic Data Migration –	31 May 2018	As a matter of priority the Programme Manager, in conjunction with the SRO, should ensure that the scope of the	The ICT Programme Manager Children's and Families, to pursue	The functionality of the four areas had been agreed by phase 4 of data migration and agreed by the key	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Phase 1 10 May 2018		project in each of the four areas is agreed by the key stakeholders and formally signed off. In line with specified pre-conditions we would not expect the project to proceed to phase 3 of data migration without this sign off.	<p>sign off of the Adults and Children's scope.</p> <p>Data migration in relation to Early Help is currently out of scope. We hope to deliver a solution in this area - the scope of any migration will be governed by what is feasible and will be communicated to the steering group for discussion and approval as required.</p> <p>The migration of finance data will include all Adults finance data and is included in the Adults scope. No Children's financial data is to be migrated and information for active cases will be re-keyed. This has been communicated to the Finance workstream lead who endorses the proposed approach.</p>	<p>stakeholders. This will be actively reviewed throughout the remainder of the project.</p> <p><b>Internal Audit Opinion:</b> Implemented</p>	
Liquidlogic Data Migration – Phase 1 10 May 2018	31 May 2018	The Programme Manager should ensure that where configuration workshops have not identified an appropriate business solution for system configuration they should be rearranged. To achieve this the Programme Manager should liaise with the Business Leads to ensure that there is a better articulation and collective understanding of the projects' needs and requirements to ensure that the project can secure the necessary commitment from the	Where there have been issues with engagement from the business these have been addressed and workshops to define these areas have been re-run. Problems with engagement in some business areas are being addressed, and meetings are being arranged.	<p>Further Configuration workshops were held where:-</p> <ul style="list-style-type: none"> <li>• None had previously taken place.</li> <li>• A Solution had not been identified</li> <li>• Where the implemented solution did not meet the Council's needs.</li> </ul> <p>The impacted areas have now been configured within the system and are undergoing testing.</p> <p><b>Internal Audit Opinion:</b> Implemented</p>	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		business.			
Liquidlogic Data Migration – Phase 1 10 May 2018	30 June 2018	The Programme Manager should ensure that full testing schedules should be produced, agreed and signed off for each module before phase 3 of data migration and user acceptance testing.	Meeting to be held with ICT Test team to ensure a smooth error recording process is in place. Test scenarios to be developed by the Project Business Leads and to be signed off by the Project Manager and the Programme Manager.	By the fourth phase of system testing schedules had been developed for the Children and Adults systems; covered current processes and included each of the forms designed for the new system. For the financial system a testing schedule had been produced and signed off, but our audit into phase four of testing identified some improvement was required.  <b>Internal Audit Opinion:</b> Implemented	No further action required
HROD Contract Management 23 July 2018	1 September 2018.	The Head of Organisational Development supported by the Contract Managers should determine the reason for the insufficient insurance cover of the Occupational Health Contract and gain immediate assurance that amendments are made to the cover to ensure this is compliant with the original contract terms.  The Contract Managers should also put a process in place to ensure that going forward insurance limits are checked including at renewal times to prevent any reoccurrence of this and confirm that the correct levels are in place for all contracts. Prior to joining a non MCC framework checks should	As provision moves to coordination under the GM DPS the MCC apprenticeship lead will work to ensure effective contract review arrangements are in place and has raised this already with the GM  Following publication of the final report all contract managers will be contacted and reminded of the importance of assuring insurance coverage as part of contract letting and monitoring.  Corporate Procurement will be asked for advice on the Council's position in relation to insurance levels within collaborative contracts	The insurance for Occupational Health has now been increased to be in line with Council requirements. The Head of Corporate Procurement has confirmed that for GM contracts the insurance limits and other requirements of the procuring Council apply.  The importance of checking insurance levels and certificates has been communicated to contract managers.  All apprenticeship providers not covered by the insurance requirements of the GM DPS were contacted on 10 July to provide details of coverage. We have confirmed that all providers have sufficient insurance cover.	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		also be undertaken to ensure the limits are acceptable to the Council.	where MCC is not the procuring authority.	<b>Internal Audit Opinion:</b> Implemented	
Purchase Cards 19 September 2018	30 November 2018	All purchase cards held by officers and members should be renewed. The Shared Services Operations Manager should introduce a process so that a new business case is obtained before new cards are issued, this would ensure that they are periodically (every 4 years) renewed.	All card holders to be asked to complete new business case template. A new business case will then be required before new cards are issued.	A new business case has been created and rolled out as officers require new purchase cards. Business cases will then have to be renewed every three years (rather than four)  The service is currently tendering for a Purchase Card provider, if the contract is not awarded to RBS, then all cards will need to be replaced before April 2019.  <b>Internal Audit Opinion:</b> Implemented	No further action required
Purchase Cards 19 September 2018	30 November 2018	The Shared Services Operations Manager should determine a clear structured approach for the submission of reconciliations. This should include a timeline for submission, reminders, and suspension of purchase cards. Where the timeline has been exhausted purchase cards should be suspended. This process needs to be included in the revised guidance in recommendation 2 above.	Once the guidance has been revised, all card holders will be made aware of the protocol for sending in the transaction log on time, and consequences of failure to do so.	The guidance has been revised, although not yet issued. However the service has issued a note to all card holders regarding the requirements for reconciliation and consequences for failure to comply.  <b>Internal Audit Opinion:</b> Implemented	No further action required

<b>Audit Title</b>	<b>Due Date</b>	<b>Recommendation</b>	<b>Management Response</b>	<b>Update/Opinion</b>	<b>Ownership and Actions</b>
Purchase Cards  19 September 2018	30 November 2018	The Shared Services Operations Manager should ensure the approver of the business case identifies a named officer to approve the reconciliation for each card and to provide a level of scrutiny of the associated expenditure. This officer should be included on the business case as above in recommendation 1. This named officer should be required to email the monthly reconciliations to FSSC in order to demonstrate that they approve and accept responsibility for the expenditure. If a relevant officer is not able to be identified, the card should be suspended.	A business case template has been created which includes the requirement to provide the approver. The business case will be rolled out in recommendation 1, and reconciliation protocols will be addressed by recommendation 6.	A revised business case has been created which includes a requirement to name the Cost Centre Manager who will be required to approve both the business case and the subsequent reconciliations (as detailed in the guidance and the reminder issued.)  <b>Internal Audit Opinion:</b> Implemented	No further action required
Events Management 10 February 2017	30 Sept 2017	The Head of Events should liaise with relevant stakeholders to review and update the current Council strategy for events management. We consider the strategy should: <ul style="list-style-type: none"> <li>• Set out a Council vision for events and key strategic objectives;</li> <li>• Establish how event objectives will be met, including event funding, application, management and performance evaluation, in accordance with best practice;</li> <li>• Set key performance indicators and targets; and</li> </ul> Outline relevant monitoring arrangements.	The Head of Events has already commissioned work to inform the development of the Events Strategy. The Head of Events will see this work through to completion and will liaise with relevant stakeholders to review and update the strategy for events management.	The Event Strategy (2019-2029) was presented to the Communities and Equalities Scrutiny Committee in January 2019.  <b>Internal Audit Opinion:</b> Implemented	No further action required

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Events Management 10 February 2017	30 Sept 2017	<p>The Head of Events, in conjunction with colleagues from Corporate Procurement should review the existing approach to procuring suppliers and services in relation to events. This should include;</p> <ul style="list-style-type: none"> <li>• Consideration of the most appropriate procurement method to meet service objectives including bringing some areas of expenditure under contract or framework agreement;</li> <li>• Analysis of total value expenditure with existing providers to identify related spend; and</li> </ul> <p>Reduced dependency on waiver exemptions (only to be used in exceptional circumstances).</p>	The Head of Events, in conjunction with colleagues from Corporate Procurement will review the existing approach to procuring suppliers and services in relation to events.	<p>The service has now completed the specification, which is in final consultation with Corporate Procurement before it is issued to the market. Tender responses are timetabled to enable evaluation of submissions in December 2018 (and subsequent award thereafter).</p> <p><b>Internal Audit Opinion:</b> Implemented.</p>	No further action required
Multi Agency Safeguarding Hub – Referrals and Enquiries: Compliance Audit  19 September 2017	30 Sept 2017	<p>The MASH Operations Manager should ensure that criteria are defined for the circumstances under which a longer assessment period may be appropriate, or (if such circumstances are too varied) that there is a request / management approval process. A mechanism should be introduced to identify / flag these referrals as such in order to monitor timeliness of these cases separately.</p> <p>Overall timeliness of the process should continue to be monitored by the MASH Board and MASH Managers, subject to the revisions recommended below in 4.1.</p>	Procedures to be updated to reflect timescales for referrals requiring an immediate, 24-hour, or 72-hour response. Performance will be monitored via monthly Children's performance clinics, the MASH Operational Group, and the MASH Strategic Partnership Board. Daily tracking is in place via team managers to monitor timeliness.	<p>The MASH now manually record all referrals that progress to a Strategy Discussion and Internal Audit have seen evidence of the MASH Operations Manager carrying out dip testing to assess timeliness which is reported in the Performance Dashboard.</p> <p><b>Internal Audit Opinion:</b> Implemented</p>	No further action required

## Appendix 2 – Recommendations Over 9 Months Overdue

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Multi Agency Safeguarding Hub – Referrals and Enquiries: Compliance Audit  19 September 2017	30 Sept 2017	The MASH Operations Manager should ensure that the consent fields in the MiCare Contact Centre Information episode and in the Screening Social Worker Decision page of the Contact Screening episode are mandatory. If the consent field is answered 'no', the free-text justification field should then be mandatory. The MASH Operations Manager should ensure that Screening Social Workers review the reasons for no consent before proceeding, to ensure that the justifications provided for over-riding consent are in line with the Consent Policy.	Consent Policy revised and shared with all MASH staff. Monthly audits by MASH team managers are evidencing improvements. Application of consent policy will be tracked via monthly partner audit activity.	Management have developed an audit tool to inform reviews of compliance with the Consent Policy. We have been told this is operational and the first audits will be available for review shortly.  When Internal Audit receives the outcomes of the first audit activities and reviews them it should be possible to confirm that the recommendation has been implemented.  <b>Internal Audit Opinion:</b> Partially Implemented.	<b>Director:</b> Paul Marshall, Strategic Director of Children's Services  <b>Executive Member:</b> Councillor Bridges  <b>Status:</b> 16 months overdue  <b>Action:</b> Internal Audit to assess implementation in February.

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### Appendix 3 – Recommendations 6-9 Months Overdue

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
<p>Homecare Services – Contract Management</p> <p>7 March 2018</p>	<p>31 May 2018</p>	<p>The Strategic Commissioning Manager in liaison with the Head of Social Work and Head of Adults Finance should put in place a clear process for the reporting, investigation and follow up of variations in invoice value / care provision immediately.</p> <p>This should involve:</p> <ul style="list-style-type: none"> <li>• A clear policy on the levels of upwards and downwards variation that should be reported / investigated.</li> <li>• Clear designation of responsibility for investigating variances and the action that to be taken on overpayments.</li> <li>• How variations are prioritised and a target timeline for investigation based on priority.</li> <li>• An evidence trail of actions taken confirming the approval of any payment for variation to planned care.</li> <li>• Reporting so that management can be assured that investigations and recovery are taking place.</li> </ul>	<p>Commissioning Manager will draft a pro forma for the finance and front line services to follow in the event of underpayments, this will need to be proportionate with the risk associated to it. The work will have an impact on capacity due to the size and number of services involved.</p> <p>Policy and process for over payment is already in place, Strategic Lead, Social Care will undertake checks that teams are following this.</p> <p>Head of Adults Finance will work with Head of Social Care and Commissioning Manager to review the decision on suspensions. This will include an analysis of whether it is appropriate to re-introduce the earlier suspensions policy. In addition to this the Payments Team Leader will run a periodic report for the Commissioning Manager based on weekly delivery against planned for both under and over delivery.</p>	<p>Although we do consider this to be partially implemented there remains further work to be done to assign appropriate resource to the completion of ongoing checks over variations. Under provision of care presents a risk that citizens are receiving less care than they have been assessed as needing and over provision suggests the Council could be being overcharged by providers and therefore without such checks the current risks remain.</p> <p>Management have tasked Team managers with checking the list of over provisions of care going forward and ensuring that any issues are addressed with providers.</p> <p>Under provision of care remains an issue and management are looking at how this can be tackled as part of a bigger project to address care review waiting lists.</p> <p>We have agreed to meet with the Assistant Director on a monthly basis to discuss ongoing progress with this.</p> <p><b>Internal Audit Opinion:</b> Partially Implemented</p>	<p><b>Director:</b> Bernie Enright Director of Adult Services</p> <p><b>Executive Member:</b> Councillor B Craig</p> <p><b>Status:</b> Seven months overdue</p> <p><b>Action:</b> Notification of overdue recommendation letter issued to Executive Member and Director December 2018</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Transition to Adult Services	30 April 2018	<p>The Interim Deputy Director of Adults Social Services should develop a clear transitions strategy and vision in conjunction with Children's Services and other key partners, in line with Care Act requirements. Once developed the strategy and vision should be used to inform the development of a clear service offer for transitions. This offer should be clearly communicated to confirmed key stakeholders including service users.</p> <p>Advice could be sought from other Local Authorities including the Council's Adults Services improvement partner, and differing approaches considered.</p>	Transitions Strategy and Vision to be developed	<p>There has been significant senior management change since this recommendation was agreed. There has been considerable slippage in the implementation of this recommendation. However the new management team are now in place and committed to addressing the issues as a matter of priority. Addressing the ongoing issues in relations to the transitions offer is a key element of the Adults Social Care Improvement Plan.</p> <p>The Assistant Director, Complex Needs confirmed that she has arranged an integrated meeting including all key partners in order to start to map out what the strategy and service offer should be. The output from this meeting is likely to be a number of working groups to take initial proposals forward.</p> <p>In terms of interim arrangements management confirmed they have already started to engage more with stakeholders where there have previously not been clear pathways into transition such as mental health partners.</p> <p><b>Internal Audit Opinion:</b> Partially Implemented</p>	<p><b>Director:</b> Bernie Enright, Director of Adult Services</p> <p><b>Executive Member:</b> Councillor B Craig</p> <p><b>Status:</b> Eight months overdue</p> <p><b>Action:</b> Notification of overdue recommendation letter issued to Executive Member and Director January 2018</p>
		The Interim Deputy Director of	Membership of the Transitions	This recommendation has not yet	<b>Director:</b> Bernie

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		Adults Social Services should review and revise the membership of the Transition Board and its terms of reference. The Board should include Senior Management and the Deputy Director for both Adults and Children's Services in order to promote a joined up service. This should be extended to key stakeholder groups to gain commitment and the ability to influence individual organisations' approach.	board and terms of reference to be reviewed	been implemented as the strategy needs to be agreed first and then the governance arrangements and board terms of reference will follow from there. Again this will be an integrated approach involving key partners.  <b>Internal Audit Opinion:</b> Outstanding	Enright, Director of Adult Services  <b>Executive Member:</b> Councillor B Craig  <b>Status:</b> eight months overdue  <b>Action:</b> Notification of overdue recommendation letter issued to Executive Member and Director January 2018
Transitions to Adult Services	30 April 2018	The Locality Strategy Manager - Learning Disability, together with the Quality Assurance (QA) Team should ensure that Social Work standards described in the 'Manchester – Adult Policies, Procedures and Practice Portal' are complied with in relation to documentation of management supervision and oversight. We consider that the manager's 'footprint' should be evident across Adults Social Care and should be subject to assurance and scrutiny from the QA Team and results provided to the QA Improvement Board.	Social Work standards evidenced through managers footprint	The Locality Strategy Manager, Learning Disability Services confirmed that action has been taken to improve the management footprint (currently recorded on Micare and to be on Liquid Logic) and to document key decisions. Internal Audit will confirm this through testing in February 2019.  <b>Internal Audit Opinion:</b> Partially Implemented	<b>Director:</b> Bernie Enright, Director of Adult Services  <b>Executive Member:</b> Councillor B Craig  <b>Status:</b> Eight months overdue  <b>Action:</b> Notification of overdue recommendation letter issued to Executive Member and Director January 2018
Transitions to Adult Services	30 June 2018	To support day to day performance management the Interim Deputy Director of Adults Social Services	Key performance Indicators introduced.	There are KPIs used to report on performance in the performance dashboard however as the strategy	<b>Director:</b> Bernie Enright Director of Adult Services

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<p>should introduce a suite of Key Performance Indicators. This should be defined once the strategy and vision in place.</p> <p>A long term solution should be considered and built into Liquid Logic to help identify performance trends and provide assurance to senior management.</p>		<p>and vision for Transition Services has yet to be fully developed the action to address this recommendation will be monitored.</p> <p><b>Internal Audit Opinion:</b> Outstanding</p>	<p><b>Executive Member:</b> Councillor B Craig</p> <p><b>Status:</b> Six months overdue</p> <p><b>Action:</b> Notification of overdue recommendation letter to Executive Member and Director to be issued</p>

## Appendix 4 – Recommendations 1-6 Months Overdue

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
ICT Software Licensing 24 July 2018	31 August 2018	The Council should ensure that the agreed remediation actions to address the SAP licensing non-compliance are implemented as a matter of priority.	Issue to be raised at earliest DLT opportunity to resolve any barriers to implementation and agree on timetable. This timetable to be communicated to IA.	ICT have commissioned an external partner to reassess the Council's exposure to risk with regard to SAP licensing. We were told that the outcomes of this had been taken forward and that the Council was now in a compliant position. We sought further evidence to confirm this.  <b>Internal Audit Opinion:</b> Outstanding	<b>Director:</b> Carol Culley, City Treasurer  <b>Executive Member:</b> Councillor Ollerhead  <b>Status:</b> Five months overdue  <b>Action:</b> Monitor
ICT Software Licensing 24 July 2018	31 December 2018	In accordance with industry good practice (ISO 19770-1), the Council should implement a Software Asset Management (SAM) policy and ensure that it provides an overarching approach to the acquisition, implementation and disposal of software as well as key compliance requirements. The policy should reference key software licensing processes, such as software acquisition, monitoring, disposal and ongoing compliance. Where processes do not follow a centralised approach they should be formally documented for each application. Furthermore it should state the process for reviewing, approving, issuing, and controlling relevant process and procedural documentation.	Research current best practice and submit SAM policy as per IA recommendation, including:  - approach to the acquisition, implementation and disposal of software; - key compliance requirements; -guidelines/instructions for locally managed software; and - process for reviewing, approving, issuing and controlling process and procedural documentation.  for approval by ICT Direct Leadership Team.	We have reviewed an early draft of this policy which is currently being worked on and will provide comments to support its development.  <b>Internal Audit Opinion:</b> Partially Implemented	<b>Director:</b> Carol Culley, City Treasurer  <b>Executive Member:</b> Councillor Ollerhead  <b>Status:</b> One month overdue  <b>Action:</b> Monitor
Retail Markets	27 July	Pricing strategies and methodologies	1. Charging Strategy document	The service started a full review of	<b>Director:</b> Fiona Worrall,

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
21 May 2018	2018	should be reviewed and evidence retained as to why a method has been used and why any differences between stalls have been applied.	to be created for each business area and issued as part of the SOP manual.  2. Any historical agreements to be recorded on a site by site basis.  3. All historical agreements to be reviewed with Head of Service, and formal annual review.	rents and charges in October 2018 to inform a strategy for the control over consistent charging of market stall holders. The service is awaiting the outcome of this independent review.  <b>Internal Audit Opinion:</b> Partially implemented	Chief Operating Officer for Neighbourhoods  <b>Executive Member:</b> Councillor Rahman  <b>Status:</b> Six months overdue  <b>Action:</b> Monitor
Art Gallery Contract Management  23 July 2018	28 September 2018	The Deputy Director of Galleries should set up and agree with the Development Trust a formal agreement to detail the relationship between the Gallery and Development Company.  The formal agreement should also include information on: - Any payback mechanism for profits generated by the provision. - Performance measures that should be reported on (financial and non-financial), including the levels at which performance is deemed to be below standard. - Change management processes including a method for recording any formally agreed changes. - Any conditions or restrictions on venue hire conditions once approved.	Service Level Agreement to be drafted between the Development Company and the gallery	A draft version of the SLA was provided. Further advice was being sought by the service from the contract and commissioning team over some clauses before finalisation. The draft included most areas included in our recommendation and we have fed back on where we consider additional detail was required which included any conditions or restrictions over venue hire.  <b>Internal Audit Opinion:</b> Partially implemented	<b>Director:</b> Sara Todd, Deputy Chief Executive  <b>Executive Member:</b> Councillor Rahman  <b>Status:</b> Four months overdue  <b>Action:</b> Monitor
Art Gallery Contract Management  23 July 2018	28 September 2018	The Deputy Director of Galleries should identify any potentially conflicting roles and introduce safeguards to ensure that officers are acting in a clear and transparent	Service Level Agreement to include management structure and KPI monitoring tools	An updated management structure outlining the roles from each organisation has now been received. The agreement remains under discussion but this part has been	<b>Director:</b> Sara Todd, Deputy Chief Executive  <b>Executive Member:</b> Councillor Rahman

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<p>manner. This could be achieved through incorporating a non-conflicted MCC officer into the contract management process who is not involved in the day to day management of the service provision in order to improve segregation and allow officers to:</p> <ul style="list-style-type: none"> <li>- Challenge management of the service to ensure value is being achieved.</li> <li>- Ensure that quality is being maintained and question any perceived drops.</li> <li>- Challenge costs being associated with the service and the calculation of any payment due to the Gallery.</li> <li>- Exit and termination issues, including any benchmarking or review and approval arrangements that may be required prior to any decision to extend the current arrangements.</li> </ul> <p>Additional safeguards could be achieved through the clear documenting of the relationship between the Development Company and the Gallery and how any elements of potential conflict will be dealt with.</p>		<p>agreed.</p> <p><b>Internal Audit Opinion:</b> Partially implemented</p>	<p><b>Status:</b> Four months overdue</p> <p><b>Action:</b> Monitor</p>
<p>Art Gallery Contract Management</p> <p>23 July 2018</p>	<p>28 September 2018</p>	<p>The Deputy Director of Galleries should ensure that formal approval is given for the transfer of the venue hire service and that the terms of the transfer are clear. It may be beneficial to consult with Corporate Procurement to ensure that all</p>	<p>Transfer of the venue hire service will be formally agreed alongside the Service Level Agreement.</p> <p>Service Level Agreement to include financial terms for</p>	<p>The service confirmed to us that formal approval of the transfer of the venue hire service is required from the Chief Operating Officer, Neighbourhoods. We will seek further updates from the service on this to confirm implementation.</p>	<p><b>Director:</b> Sara Todd, Deputy Chief Executive</p> <p><b>Executive Member:</b> Councillor Rahman</p> <p><b>Status:</b> Four months</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		relevant procurement legislation is complied with on this matter.	payments to the gallery.	<b>Internal Audit Opinion:</b> Outstanding	overdue <b>Action:</b> Monitor
Art Gallery Contract Management 23 July 2018	28 September 2018	<p>The Deputy Director of Galleries should ensure that a clear methodology for calculating future payments is put in place. Ideally this should be incorporated as part of the formal agreement between the Gallery and Development Trust recommended above.</p> <p>Once agreed this methodology should be applied consistently, if it is not appropriate to follow the methodology at any point a clear record should be kept of the reasons why, the changes applied and whether these changes are temporary or permanent.</p>	Service Level Agreement to include financial payment schedule and details of how payment is calculated.	<p>A draft version of the SLA was provided which included a methodology for calculating future payments. Further advice was being sought by the service from the contract and commissioning team over some clauses before finalisation. We await the finalisation of the agreement before changing the status to implemented, once the agreement is finalised.</p> <p><b>Internal Audit Opinion:</b> Partially implemented</p>	<p><b>Director:</b> Sara Todd, Deputy Chief Executive</p> <p><b>Executive Member:</b> Councillor Rahman</p> <p><b>Status:</b> Four months overdue</p> <p><b>Action:</b> Monitor</p>
HROD Contract Management 23 July 2018	1 September 2018.	<p>The Contract Manager should actively monitor the levy to ensure there are enough funds available to cover all the learners and that all the funds will be spent.</p> <p>The position in regards to potential clawback will need to be monitored by management on an ongoing basis to ensure that we are utilising the funds in the most effective manner.</p>	Monitoring of actual and projected Levy spend and clawback risk to be incorporated into the quarterly workforce assurance dashboard to ensure visibility by HROD DMT and SMT	<p>Management are awaiting tools from Central Government which are not yet available to allow them to accurately monitor the levy. When this information is available it will be included in the quarterly dashboard.</p> <p>In the interim HROD have designed their own tools to do this based on assumptions using average costs of</p>	<p><b>Director:</b> Lynne Ridsdale, Director of HROD</p> <p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> Five months overdue</p> <p><b>Action:</b> Monitor</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
				<p>apprenticeships which they plan to report to the Head of Workforce Strategy on a quarterly basis. We support this and we have suggested some enhancements to the interim reporting.</p> <p><b>Internal Audit Opinion:</b> Partially implemented</p>	
<p>HROD Contract Management</p> <p>23 July 2018</p>	1 December 2018	<p>The Contract Manager for Occupational Health should identify why the contract KPIs are not measured and incorporate the measurement of these into future KPI reporting.</p> <p>The contract manager for apprenticeships should put in place performance measures for each provider to report against, some examples of these include:</p> <ul style="list-style-type: none"> <li>• Number of compliments / complaints received.</li> <li>• Number of apprenticeships.</li> <li>• Progress of learners.</li> <li>• Number of apprenticeships completed.</li> <li>• Money spent from the levy for course.</li> <li>• Amount of levy remaining.</li> </ul>	<p>The Occupational Health contract manager has worked with the provider to ensure monitoring arrangements are in place for the missing KPIs. Measures on customer satisfaction and reports issued within 48 hours will be monitored on an annual and quarterly basis going forwards. Work is underway to ensure cumulative monitoring of the % of reports requiring clarification.</p> <p>A set of KPIs will be established and utilised for MCC apprentice providers as part of the annual review cycle (see below). - As provision moves to coordination under the GM DPS the MCC apprenticeship lead will work to ensure effective contract KPIs are in place</p>	<p>The contract manager for the Occupational Health contract has worked with the provider to incorporate the missing KPIs where possible, customer satisfaction is monitored through an annual survey however we have been unable to obtain evidence to demonstrate that reports issued within 48 hours of assessment and cases requiring further review after initial consultation.</p> <p>The Apprenticeship Contract Manager confirmed this is still work in progress. Where new contracts are issued then KPIs are built into these for existing contracts. This will be picked up when the Management Information is due at the end of the financial year.</p> <p><b>Internal Audit Opinion:</b> Partially implemented</p>	<p><b>Director:</b> Lynne Ridsdale, Director of HROD</p> <p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> Two months overdue</p> <p><b>Action:</b> Monitor</p>
Factory Governance Arrangements	30 Sept 18	The SRO, with key project officers, should review the following areas to provide further clarity and to	Review the governance structure and protocols to include the quorum	We have received confirmation that the governance aspects in the recommendation are being	<b>Director:</b> Carol Culley, City Treasurer

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
5 September 2018		<p>strengthen the existing governance framework.</p> <p>Quorum requirements – consider whether it is appropriate to designate that at least one of the SRO, Project Director or Project Lead should be present for the meeting to be quorate.</p> <p>Decision Making – Clarify where decision making rights lie and the roles of attendees from the different bodies around this.</p> <p>Deputies – Clarify whether deputies are to be treated as the member they are deputising for or if there are limits to the powers being delegated.</p> <p>Board and role titles should be clarified and the governance paper updated to ensure these are referred to consistently.</p> <p>The governance document should then be amended to reflect any amendments or improvements agreed.</p>	requirements and the decision making status of the various Boards.	<p>addressed and that an updated governance paper has been drafted and will go through the next Board meeting cycle for approval. We are awaiting management providing a copy of the updated paper to confirm that all outstanding areas have been addressed and that the amendments have been suitably approved.</p> <p><b>Internal Audit Opinion:</b> Partially implemented</p>	<p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> Four months overdue</p> <p><b>Action:</b> Monitor</p>
Multi Links Commissioning Review – Advice and Guidance  22 August 2018	31 Dec.2018	<p>The Fostering Services Manager should, in line with strategic plans for the short break provision, begin the recommissioning of the service as soon as possible and should incorporate the key elements described below:</p> <p>All current multi-link contracts should be terminated ahead of new</p>	<p>Recommissioning exercise has begun. Extensions have been put in place of existing contract with three of the providers who are compliant with the number of nights required for the service. This extension is for a period of three months whilst new contracts are drafted. Two</p>	<p>This recommendation has only recently fallen due. We are due to meet with key officers in the coming weeks to discuss progress made with the recommendation.</p> <p><b>Internal Audit Opinion:</b> Outstanding</p>	<p><b>Director:</b> Paul Marshall, Strategic Director of Children's Services</p> <p><b>Executive Member:</b> Councillor Bridges</p> <p><b>Status:</b> One month overdue</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<p>contracts being issued. A full review of the current terms and conditions document should be undertaken to ensure that all issues, potential risks and shortfalls identified during the life of the current contract are addressed and any obvious errors or omissions are rectified. A list of some of the key factors to be considered is attached at Appendix 2.</p> <p>New contracts should be consistent across all providers and copies of key contractual documents should be signed and copies retained by the service.</p> <p>The difference between short break and multi-link care provision should be clearly defined and communicated to relevant officers.</p>	<p>providers have had their contract ended without any extension.</p> <p>A full review of the scheme is in process with key officer oversight. The steering group are meeting regularly to ensure there is no drift on meeting this recommendation.</p>		<p><b>Action:</b> Monitor</p>
<p>Multi Links Commissioning Review – Advice and Guidance</p> <p>22 August 2018</p>	<p>31.12.2018</p>	<p>The Fostering Team Manager should put a process in place to record all approved short break requirements with an indicator of whether that demand is being met, so that assessments can be made at any point during the year whether there is currently sufficient supply available or whether more carers should be identified to provide additional capacity.</p> <p>A monitoring process should also be put in place to track the level of service from each provider on an ongoing basis so that:</p> <ul style="list-style-type: none"> <li>- this can be compared with any minimum provision requirements and relevant action taken.</li> </ul>	<p>Robust monitoring processes have been implemented to ensure management have clear oversight of number of nights currently provided to children and any sufficiency measures that may be required.</p> <p>Going forward a further strategic panel may be required to review each provider independently from the fostering annual reviews and discuss any concerns, capacity and agreed actions to be taken.</p>	<p>This recommendation has only recently fallen due. We are due to meet with key officers in the coming weeks to discuss progress made with the recommendation.</p> <p><b>Internal Audit Opinion:</b> Outstanding</p>	<p><b>Director:</b> Paul Marshall, Strategic Director of Children's Services</p> <p><b>Executive Member:</b> Councillor Bridges</p> <p><b>Status:</b> One month overdue</p> <p><b>Action:</b> Monitor</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<ul style="list-style-type: none"> <li>- spare capacity can be easily identified to aid the placement of new short break approvals.</li> <li>- checks can be made that individual providers are able to utilise holiday allowances and are not subject to over demand.</li> <li>- checks can be made that each child is receiving their approved care package.</li> <li>- queries over payments can be easily resolved.</li> </ul>			
Income and Debt Management – Investment Estate  22 May 2018	31 December 2018	The Strategic Director (Development) should lead a review of actual and predicted income from the investment estate, and develop an associated action plan to maximise income and reduce budget pressure in the medium to long term. Delivery of this action plan should be overseen by the Investment Estate Board.	The Strategic Director (Development) will ensure that the recommended action plan is produced by the end of September 2018. This will be presented to the Investment Estate Board by the end of December 2018, and ongoing reporting arrangements will be agreed at that time.	<p>The budget is being actively monitored and the predicted budget pressure has been minimised for 2018/19. This is being more fully reviewed as part of the budget setting process for 2019/20.</p> <p><b>Internal Audit Opinion:</b> Partially Implemented</p>	<p><b>Director:</b> Eddie Smith, Strategic Director Development</p> <p><b>Executive Member:</b> Councillor N Murphy</p> <p><b>Status:</b> One month overdue</p> <p><b>Action:</b> Monitor</p>
Insurance Arrangements in Contracts  4 September 2018	31 December 2018	<p>The Head of Strategic Commissioning and Head of Corporate Procurement in conjunction with the City Solicitor should define contract managers' responsibilities around insurance cover within contracts.</p> <p>As part of this additional consideration should be given to:</p>	Integrated Commissioning Team to amend standard MCC contract documents and guidance to include contract managers' responsibilities on insurance. Revised versions will be shared with Internal Audit for information. Insurance to be covered in training organised by Integrated Commissioning.	Work has been undertaken by the Integrated Commissioning team recently to develop a Contract Management User Guide. Internal audit has provided slides for inclusion covering responsibilities over insurance. The user guide is now available on the intranet however e-learning training is still being developed by the team.	<p><b>Director:</b> Carol Culley, City Treasurer</p> <p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> One month overdue</p> <p><b>Action:</b> Monitor</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<ul style="list-style-type: none"> <li>• The process for 'handover' of insurance information from Corporate Procurement to the contract manager and whether this should be formalized to encourage ownership of the process.</li> <li>• The need for additional checks where supplier financial difficulty is identified to ensure that payments are being maintained to ensure continuance of cover (and the format that this may take).</li> <li>• The enhancement of existing guidance available for contract managers to require them to act on renewal dates promptly to confirm appropriate cover is in place. This could be covered as part of annual contract management reviews.</li> </ul>	<p>Responsible Officer: Lucy Makinson, Head of Strategic Commissioning, Mark Leaver, Strategic Lead Integrated Commissioning, Jacqui Towler, Project Manager Integrated Commissioning</p> <p>Target Date: Guidance: 31 October 2018, Training: 31 December 2018</p>	<p><b>Internal Audit Opinion:</b> Partially implemented.</p>	
<p>Contractor Whistleblowing Arrangements</p> <p>4 September 2018</p>	<p>31 December 2018</p>	<p>The Head of Strategic Commissioning should incorporate training on whistleblowing into the training plan for contract managers. This should ensure that contract managers:</p> <ul style="list-style-type: none"> <li>• Are aware of their responsibilities over whistleblowing and the responsibilities of contractors.</li> <li>• Are clear who the whistleblowing allegations or concerns should be reported to within the Council.</li> <li>• Have a method for monitoring if the contractor has received whistleblowing allegations in relation to Council funded services.</li> </ul> <p>Consideration should also be given</p>	<p>Integrated Commissioning Team to amend standard MCC contract documents and guidance to include contract managers' responsibilities on whistleblowing. Revised versions will be shared with Internal Audit for information. Whistleblowing to be covered in training organised by Integrated Commissioning. Corporate Procurement will assist with putting a link to guidance on whistleblowing in their manuals once advised by Integrated Commissioning. Additional Resources Required for implementation: No</p>	<p>Work has been undertaken by the Integrated Commissioning team recently to develop a Contract Management User Guide. Internal audit has recently provided slides for inclusion covering responsibilities over whistleblowing. This information will be incorporated into the user guide on the intranet shortly. Training aspects will be incorporated into both the e-learning course being developed and the raising the bar course.</p> <p><b>Internal Audit Opinion:</b> Partially implemented.</p>	<p><b>Director:</b> Carol Culley, City Treasurer</p> <p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> One month overdue</p> <p><b>Action:</b> Monitor</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<p>to uploading whistleblowing guidance as a separate document to the intranet to make it more accessible to staff should they need to refer back to it.</p> <p>Internal audit would be happy to explore and support the development of these responses.</p>	<p>Responsible Officer: Lucy Makinson, Head of Strategic Commissioning, Mark Leaver, Strategic Lead Integrated Commissioning, Jacqui Towler, Project Manager, Integrated Commissioning</p> <p>Target Date: Guidance: 31 October 2018, Training: 31 December 2018</p>		
<p>Contractor Whistleblowing Arrangements</p> <p>4 September 2018</p>	<p>31 December 2018</p>	<p>The Head of Procurement and Head of Strategic Commissioning in conjunction with the City Solicitor should consider redrafting the standard terms and conditions to include reference to the supplier having a suitable whistleblowing procedure in place.</p> <p>Thought should also be given to widening the request around whistleblowing policies in the tender questions to include more specific reference to the Public Interest Disclosure Act. Once the high level evaluation is complete and the contractor moves into the status of being a potential contractor requests for a copy of their whistleblowing policy could be made.</p> <p>This can then be passed on to the contract manager during the implementation phase.</p>	<p>Deputy City Solicitor will lead on the amendment of the Council's standard terms and conditions to include requirements over whistleblowing. Once revised the Head of Strategic Commissioning will communicate this to the wider contract management community.</p> <p>Additional Resources Required for implementation: No</p> <p>Responsible Officer: Jacqui Dennis, Deputy City Solicitor and Lucy Makinson, Head of Strategic Commissioning</p> <p>Target Date: Terms and conditions redraft: 31 December 2018 Guidance 31 October 2018</p>	<p>This recommendation has only recently fallen due. We will seek an update from key officers in the coming weeks to discuss progress made with the recommendation.</p> <p><b>Internal Audit Opinion:</b> Outstanding</p>	<p><b>Director:</b> Carol Culley, City Treasurer</p> <p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> One month overdue</p> <p><b>Action:</b> Monitor</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Purchase Cards  19 September 2018	30 November 2018	<p>The Shared Services Operations Manager should review and update the guidance in relation to the use of purchase cards to reflect the current operational needs. Consideration, and examples of appropriate and inappropriate usage, needs to be given to the use of purchase cards for:-Expenses and subsistence (including when abroad), Providing Hospitality (see recommendation 3), Transport, Accommodation, Parking fees, Stationery, ICT equipment/ Software.</p> <p>The other recommendations made in this audit should also be reflected in guidance including:- Business Case requirements, Revised Reconciliation and approval process, and appropriateness of lodging card details on websites.</p> <p>This revised guidance should be issued to all purchase card holders when issued with the requirement to renew their business case.</p>	The guidance will be reviewed, amended where appropriate, and then issued to card holders.	<p>Revised guidance has been produced. This covers the areas identified as needing clarification and reflects changes to the reconciliation process. However this has not yet been formally launched and has not yet been issued to users and is not available yet on the Intranet,</p> <p><b>Internal Audit Opinion:</b> Partially Implemented</p>	<p><b>Director:</b> Carol Culley, City Treasurer</p> <p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> Two months overdue</p> <p><b>Action:</b> Monitor</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Purchase Cards 19 September 2018	31 December 2018	The City Treasurer should develop guidelines setting out the general principles for providing hospitality to others, including where a Council officer or member also benefits from the expenditure. This should be supported by examples as appropriate. Internal Audit will support implementation of this recommendation by providing an outline of potential areas for inclusion, and will provide further details of test findings on request.	The City Solicitor, supported by the City Treasurer, will develop guidance on the provision of hospitality. They will also identify a suitable place within the existing guidance framework for this to be published.	The City Solicitor has not yet completed a draft of this policy for review.  <b>Internal Audit Opinion:</b> Outstanding	<b>Director:</b> Carol Culley, City Treasurer  <b>Executive Member:</b> Councillor Ollerhead  <b>Status:</b> One month overdue  <b>Action:</b> Monitor
Transitions	31 October 2018	The Interim Deputy Director of Adults Social Services should ensure that within six months an operational plan is in place for delivering the revised transitions offer in line with the agreed strategy and vision. This plan should include the formalisation of policy and procedure, roles and responsibilities and the use of transition specific documentation referred to in NICE guidance.	Operational Plan in place for delivering the revised transitions offer in line with the agreed strategy and vision	As the strategy and vision for Transitions has yet to be agreed this recommendation has also not been implemented. However action has been taken in the interim to amend and strengthen working practices within the transitions team. The Locality Strategy Manager, Learning Disability confirmed that there have been procedures developed, that there is now a formal transitions plan on micare and that actions are continuing to engage with stakeholders from groups eligible for transitions where there has previously not been a pathway into the service such as mental health. Evidence of this progress will be provided to internal audit.  <b>Internal Audit Opinion:</b> partially	<b>Director:</b> Bernadette Enright, Director of Adults Services  <b>Executive Member:</b> Councillor Craig  <b>Status:</b> Two months overdue  <b>Action:</b> Monitor

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
				implemented	
Early Help	31 October 2018	The Head of Safeguarding and Quality Assurance should, in conjunction with the Strategic Head of Early Help, ensure that moderation for triage and intervention audits include a check of SMART remedial actions. Any issues identified would need to be addressed with staff should this not improve over time. The assurance framework should include expectations to escalate any remedial actions that have not progressed. This could be included as a KPI in the Director of Children's Service (DCS) Performance Clinic report.	Oversight of the Early Help (EH) Audit Tracker will be reviewed quarterly in EH Management meetings to ensure actions are completed and SMART. The EH audit reports are reviewed by the Head of Safeguarding and QA as part of the monitoring of the QA Framework (previously monthly at QAF meetings and in future to meet standards set in new framework once approved)	This recommendation has been reported as implemented by the Business in our recommendation implementation tracker, however internal audit have not yet reviewed evidence to support implementation which we plan to do before the end of February 2019.  <b>Internal Audit Opinion:</b> Partially Implemented	<b>Director:</b> Paul Marshall Strategic Director of Children's Services  <b>Executive Member:</b> Councillor Bridges  <b>Status:</b> Three months overdue  <b>Action:</b> Monitor
Early Help	31 October 2018	The Strategic Head of Early Help, should develop a summary narrative report, covering all QA activity across early help to ensure key themes and issues are identified where necessary. A decision should be made as to who is ultimately responsible for challenging performance in this key area. This should be the responsibility of the EH Performance Clinic and the EH Operational Board.	To coincide with the launch of the updated QA Framework, the Strategic Lead for Early Help will produce quarterly audit reports.	This recommendation has been reported as implemented. however internal audit have not yet reviewed evidence to support implementation which we plan to do before the end of February 2019.  <b>Internal Audit Opinion:</b> Partially Implemented	<b>Director:</b> Paul Marshall Strategic Director of Children's Services  <b>Executive Member:</b> Councillor Bridges  <b>Status:</b> Three months overdue  <b>Action:</b> Monitor

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Early Help	July 2018	<p>The Head of Safeguarding and Quality Assurance should, in conjunction with the Strategic Head of Early Help arrange for the audit pro-formas to be updated. This should include:</p> <ul style="list-style-type: none"> <li>• Whether the practitioner was present at the time of audit.</li> <li>• An auditor opinion on outcomes for young people and the quality of practice.</li> <li>• Moderator opinion on agreement with outcomes for young people, quality of practice and additionally the quality of audit.</li> <li>• Clarifying what elements (outcomes, practice or both) should be included in 'What is working well' and 'What are you worried about'.</li> </ul> <p>In order to ensure data quality, the Head of Safeguarding and Quality Assurance should, in conjunction with the Strategic Head of Early Help include checks on the presence of completed audits as part of the QA arrangements and address any systemic or compliance issues identified as a result.</p>	<ol style="list-style-type: none"> <li>1) Audit proformas have been updated. - Implemented</li> <li>2) Thematic audit report to be provided quarterly by Strategic Lead for Early Help and Interventions</li> </ol>	<p>This recommendation has been reported as implemented by the Business in our recommendation implementation tracker, however internal audit have not yet reviewed evidence to support implementation which we plan to do before the end of February 2019.</p> <p><b>Internal Audit Opinion:</b> Partially Implemented</p>	<p><b>Director:</b> Paul Marshall Strategic Director of Children's Services</p> <p><b>Executive Member:</b> Councillor Bridges</p> <p><b>Status:</b> Five months overdue</p> <p><b>Action:</b> Monitor</p>
Troubled Families	31 August 2018	The Strategic Head of Early Help should increase frequency of management reporting in order to	Comments around performance monitoring and progress against targets are helpful. We had a	An attachments tracker is in place but the business is still not able to report on outcomes. They are aware	<b>Director:</b> Paul Marshall Strategic Director of Children's Services

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
19 June 018		best support decision making; specifically the impact of the investment made and, given the potential for funding to be impacted, the achievement of successful outcomes. Given there are just over two years remaining until the end of the current programme, target milestones would be appropriate, we consider that these should be at least half-yearly.	meeting with PRI to discuss this on 6 March 2018 and actions will follow this to address reporting.	of the conversion rate for attachments so can estimate the projected outcomes. This area has been shown to internal audit but has yet to be included in the respective performance reporting pack. When this is completed the recommendation will be implemented.  <b>Internal Audit Opinion:</b> Partially Implemented.	<b>Executive Member:</b> Councillor Bridges  <b>Status:</b> Five months overdue  <b>Action:</b> Monitor
Children Missing from Home	31 July 2018	The Strategic Head of Early Help should ensure that the MFH Procedures are clarified regarding whether and in what circumstances it is necessary to seek parental consent prior to initiating an IRI. If a parent refuses to allow the worker to carry out an IRI, management agreement with the decision to either override or accept the refusal should be recorded, such as by adding rationale and manager sign-off boxes to the IRI form.	Revised guidance to be issued for the Missing from Home Team.  Senior Complex Safeguarding Social Workers to dip sample cases bi monthly where IRI has been refused.	From our recent update in relation to implementation no further action has yet been taken towards implementing this recommendation.  <b>Internal Audit Opinion:</b> Outstanding	<b>Director:</b> Paul Marshall, Strategic Director of Children's Services  <b>Executive Member:</b> Councillor Bridges  <b>Status:</b> Five months overdue  <b>Action:</b> Monitor
Children Missing from Home	31 October 2018	The Strategic Head of Early Help and the Performance Manager (People) should ensure that key performance indicators, as described in the MFH&C Strategy, are agreed and targets defined. Other routine reporting should be	Development of a fit for purpose dashboard for missing and complex safeguarding services.	The Service Manager recently confirmed there is now a dashboard in place. Internal audit will review evidence to support implementation which we plan to do before the end of February 2019.	<b>Director:</b> Paul Marshall, Strategic Director of Children's Services  <b>Executive Member:</b> Councillor Bridges

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		reconsidered to ensure that the focus is on key trends and that it is generated from the most timely and accurate data. The rationale for the reports, including whether they should prompt certain actions (and if so, what and by whom), should be described in the MFH Procedures.		<b>Internal Audit Opinion:</b> Partially Implemented	<b>Status:</b> Five months overdue  <b>Action:</b> Monitor
Disability Supported Accommodation Services: Quality Assurance Framework  14 February 2018	31 August 2018	<p>Management should consider which key areas of the Care Act registered managers and support coordinators should provide assurance over for all citizens in their properties. To support this, there will need to be:</p> <ul style="list-style-type: none"> <li>• A register of each citizen, staff member and property which should be monitored centrally to ensure full, timely coverage.</li> <li>• Each Centre's own registered manager and support coordinators should complete these checks as soon as possible to support the CQC inspections and provide results to the Interim Service Manager (DSAS) and Programme Lead.</li> <li>• Accountability for registered managers and support coordinators to implement any actions that are identified. Results can then be assessed and addressed at a strategic level if further support or resources are needed.</li> <li>• Clarity as to how registered managers assure themselves that quality control checks are</li> </ul>	<p>I agree with the activity identified within recommendation 1.</p> <p>Register of all details including residents; staff and properties to be sent to PRI.</p>	<p>We have met with the Programme Lead and the Service Manager Disability Accommodation Services who provided us with an update on progress made. They confirmed some progress has been made in implementing the recommendation. A register was in place and management were happy this was up to date. However internal audit have not yet reviewed evidence to support implementation which we plan to do before the end of February 2019.</p> <p><b>Internal Audit Opinion:</b> Partially Implemented</p>	<p><b>Director:</b> Bernadette Enright, Director Adult Services</p> <p><b>Executive Member:</b> Councillor B Craig</p> <p><b>Status:</b> 5 months overdue</p> <p><b>Action:</b> Monitor</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		built into day to day service provision. This should help inform the QA Framework, allowing auditors to provide an opinion on these arrangements rather than lower level, task specific compliance.			
Disability Supported Accommodation Services: Quality Assurance Framework  14 February 2018	31 August 2018	<p>Management should consider integrating oversight of the Supported Living QA process into the role of Adults QA team and revise the content of the Framework. This could include:</p> <ul style="list-style-type: none"> <li>• A workshop including key partners, support coordinators and registered managers used to inform a revised framework.</li> <li>• Supporting an effective QA audit process and clarifying whether inquiry or inspection of evidence is required for each question/section and QA auditors recording where this has been done.</li> <li>• Where assurance is being, or should be, sought from more specialist input such as HR, Health and Safety, Risk and Resilience, Corporate Property, Contract Monitoring and Learning and Events teams.</li> </ul> <p>Internal Audit propose to support development action by assisting management in the development and</p>	<p>With regard to recommendation 2 whilst I have welcomed the support and expertise the Adults QA Team have provided to date and would want this to continue going forward I do not think it is appropriate to integrate oversight into the role of the Adults QA Team. The service is a commissioned In House Provider and is regulated and inspected by CQC and is also subject to commissioning reviews by the contracts team. However it will be helpful to be able to access the QA Team's support for the further development work we have planned. Also in terms of oversight and challenge this will be provided through the Adults Quality Assurance and Performance Board.</p> <p>Workshops with staff and stakeholders to review and propose any desired changes to: QA Framework; Audit Tool and Guidance Documentation to be delivered throughout March and</p>	<p>The workshops have been undertaken and a revised audit tool is now in place. however internal audit have not yet reviewed evidence to support implementation which we plan to do before the end of February 2019.</p> <p><b>Internal Audit Opinion:</b> Partially Implemented</p>	<p><b>Director:</b> Bernadette Enright, Director Adult Services</p> <p><b>Executive Member:</b> Councillor B Craig</p> <p><b>Status:</b> 5 months overdue</p> <p><b>Action:</b> Monitor</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		delivery of a redesign workshop.	April.		

## **Manchester City Council Report for Information**

**Report to:** Audit Committee 11 February 2019

**Subject:** Health and Social Care Assurance Framework

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

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### **Summary**

It is the role of the Audit Committee “to obtain assurance over the Council’s corporate governance and risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements”.

Given the partnerships with NHS organisations across the City for the commissioning and delivery of health and care services established through Manchester Health and Care Commissioning (MHCC) and Manchester Local Care Organisation (MLCO), Audit Committee requested a report describing the assurance framework in respect of health and social integration.

This report describes the key elements of the current framework with a focus on governance and assurance from a Council perspective.

### **Recommendations**

Audit Committee is requested to note the current assurance framework, planned developments and consider any further assurances required in discharging its assurance role.

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### **Wards Affected:** All

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### **Contact Officers:**

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

- MLCO Report: Manchester City Council Health Scrutiny Committee June 2018, October 2018, February 2019
- MHCC Pooled Budget 2019/20 including Adult Social Care: Health Scrutiny Committee December 2018, February 2019
- Internal Audit Plan and Assurance Update reports to Audit Committee 2018/19

## **1. Purpose of Report**

- 1.1. Manchester City Council has long worked collaboratively with health partners across the City in the coordination of health and care services to residents. In the past this has included the pooling of budgets, development of joint strategies and delivery of services through partnership arrangements.
- 1.2. In the last two years and in line with the strategic aspirations of the Council, NHS Manchester Clinical Commissioning Group (CCG) and NHS Trusts across the City, these partners worked together to transform the approach to health and care services with the overall aim of improving outcomes for Manchester residents. These arrangements have been developed at scale across the City through the establishment of partnerships in Manchester Health and Care Commissioning (MHCC) and the Manchester Local Care Organisation (MLCO).
- 1.3. The design, development and delivery of services and governance arrangements across these partnerships has been overseen and reported through the Council's existing officer and Member governance arrangements including Senior Management Team, Executive, Health and Wellbeing Board and Health Scrutiny Committee. This report does not seek to reiterate the rationale, strategy or approach to integration but focuses, at the request of Audit Committee, on the assurance frameworks across these partnerships and in particular how these interact with Council assurance arrangements.

## **2. Governance Overview**

- 2.1. The key partnerships through which health and social care functions are being integrated across Manchester are MHCC and MLCO. Given the scale of integration and collaboration; the range of partners; and the different legal and accountability frameworks in place across health and local government these are complicated arrangements.

### MHCC

- 2.2. The principles underpinning the establishment of MHCC were agreed prior to 1 April 2017 but from that date it has been operating as a partnership between the Council and Manchester CCG. These principles are set out through a Section 75 Partnership Agreement that guides the role, functions, governance arrangements and operation of MHCC.
- 2.3. In summary these principles were that MHCC would lead the commissioning of health, adult social care and public health services in the City but that the statutory accountabilities and delegations within the social care and public health roles of the Council's Director of Adult Social Services (DASS) and Director of Population Health and Wellbeing, whilst taken jointly with the MHCC Executive Team and Board, remain with the Council.
- 2.4. The role of the DASS was incorporated into the wider role of the Executive Director of Strategic Commissioning. Following the departure of the

postholder, the Director of Adults Services (DAS) is acting up as the Interim DASS with the future arrangements being reviewed to identify how Council leadership capability can be most effectively and appropriately deployed to support the achievement of priorities and the continued exercise of appropriate delegations and statutory accountabilities.

- 2.5. The creation of MHCC has been complex and in particular the risks and uncertainty over the VAT implications for the Council that could arise from the delegation of commissioning functions to Manchester CCG has impacted on the ability to deliver integration in the way originally envisaged.
- 2.6. The key components of the governance and accountability structure for MHCC are:
  - Minimal reservation of some required functions to Manchester CCG Governing Body. There are some requirements of the NHS that cannot be discharged through the partnership, such as audit and remuneration functions. These remain with the CCG.
  - MHCC Board with representation of two Executive Members and four senior officers from the City Council alongside CCG Executives, GP Members and Lay Members.
  - MHCC Board Sub Committees that support the Board including Governance and Finance Committees.
  - MHCC Executive Team comprising the Executive Officers for MHCC including the MHCC Chief Accountable Officer and the Council's Director of Population Health and Wellbeing and Interim DASS.
- 2.7. Governance arrangements were refreshed and strengthened in Autumn 2018 following learning from the first year of operation; internal audit work from the Council and CCG auditors; a Board development review; and feedback from individual Board and Committee members. Development included establishment of a Strategy Committee co-chaired by Councillor Craig, revised terms of reference and standard reporting from all committees to the Board; review of the MCCG Scheme of Delegation; and development of a forward plan for Board meetings.
- 2.8. The operation of MHCC and the respective roles, responsibilities and accountabilities of partners are set out in a Partnership Agreement, underpinned by a Financial Framework (see appendix one), governance structure (see appendix two) and the MHCC Operational Plan.

#### MLCO

- 2.9. Manchester Local Care Organisation (MLCO) was established for the delivery of commissioned health and care services across the City.
- 2.10. MLCO is not a formal partnership. Instead, partners across the health and care system in Manchester are signatories to a Partnering Agreement, which is intended to be legally binding. The relevant parties to the agreement are Manchester CCG; the Council; Manchester Foundation Trust (MFT);

Manchester Primary Care Partnership (MPCP); and GM Mental Health NHS Foundation Trust (GMMH). This commits all parties to a ten year agreement for delivery of the MLCO agenda and the transformation of out of hospital services. This was signed on 1 April 2018, at which point MLCO was established.

- 2.11. The Partnering Agreement established MLCO as an organisation, however it is not a statutory body or legal entity but a virtual organisation responsible for the delivery of these services. It is hosted by and has reporting and assurance accountabilities for the delivery of health services through to MFT.
- 2.12. Statutory responsibilities for adult social care services, whilst delivered virtually through the MLCO remain with the Council through the statutory role of the Director of Adult Social Services (DASS) although the delivery of adult social care through the overall remit of the MLCO was codified through a Service Level Agreement which is one of the schedules to the Partnering Agreement.
- 2.13. The key components of the governance structure for MLCO illustrated in appendix three are as follow:
  - Partnership Board comprised of the signatories to the Partnering Agreement providing oversight and accountability for the MLCO. The Board includes two seats for City Council representation.
  - MLCO Executive Team comprising the officers responsible for the discharge of functions. This includes the DAS.
  - The governance below MLCO Executive Team is largely reflective of the governance that exists within NHS Trusts, albeit nuanced to reflect the position of MLCO as an integrated care organisation. This includes committees, groups and boards that cover areas including quality and safety; accountability; and finance, contracting and performance.
- 2.14. The operation of MLCO and the respective roles and responsibilities of partners are set out in the Partnering Agreement and this is underpinned by the MLCO Business Plan.

### **3. Assurance Framework**

- 3.1. Given the complexity of the arrangements and breadth of partners engaged in the commissioning and delivery of health and care services across the City, as well as restrictions around the delegation of functions and statutory accountabilities, there is unsurprisingly a high level of complexity to the associated assurance frameworks for the two partnerships and the governance interfaces and reporting into the respective partners.
- 3.2. There are various aspects of the assurance framework both within the Council, within the partnerships and within other partners which are summarised below.

#### **4. City Council Governance and Assurance**

- 4.1. The partnership accountabilities, roles and responsibilities of the Council are set out in the MHCC Partnership Agreement and the system-wide Partnering Agreement. These confirm the representation of Council Members and officers on the Boards and sub committees of the partnerships.
- 4.2. The Council's current representation on the MHCC Board comprises the Deputy Leader (Councillor S Murphy); Executive Member (Councillor Craig); Chief Executive; City Treasurer; Interim DASS; and Director of Population Health and Wellbeing (in his role as Director of Public Health).
- 4.3. Each MLCO partner organisation has two members and one vote on the MLCO Partnership Board. The Council's Head of Reform and Innovation attend the Partnership Board with the second place on the Partnership Board is to be confirmed following changes in the Council's Strategic Management Team. The Executive Member (Councillor Craig) also attends the MLCO Board in her capacity as an MHCC Board Member. In addition, the DAS is a member of the MLCO Executive Team.
- 4.4. The Board representation is essential not only to guide the strategic development and oversight of the operation of the partnership but to support decision making on social care and other functions that remain the statutory responsibility of the Council. Other officers including the Head of Finance and Head of Audit Risk Management also represent the Council on MHCC Board Sub Committees including the Finance and Governance Committees.
- 4.5. This engagement in the governance and decision making structures of MHCC and MLCO provide a level of assurance that the strategy, operation and performance of the partnership is aligned with Council priorities, objectives and statutory duties.
- 4.6. Risks to Council and Directorate objectives are captured internally through the Adults Services Risk Register. The most recent iteration of this risk register is appended to the Adults Services Business Plan for presentation to Health Scrutiny Committee on 5 February 2019. The highest level risks and associated assurance and proposed actions are also capture in the Corporate Risk Register to be presented to Audit Committee in March 2019.
- 4.7. In addition to business plan risks the Director of Adults Services and Director of Population Health and Wellbeing maintain their own internal arrangements for managing risks to the achievement of service delivery priorities, quality assurance, standards and safeguarding. The oversight and reporting of the management of these risks is through line management arrangements including reporting to the Chief Executive and the Executive Member for Adult Health and Wellbeing.
- 4.8. Council budgets and spend are not currently delegated to MHCC or MLCO. At present due to VAT implications, the Council cannot delegate statutory and financial functions to the CCG in relation to Council's contribution to the

pooled budget. The Financial Framework set out how the pooled budget will support the single commissioning arrangements within each organisation's constitutional and statutory requirements.

- 4.9. In order to enable MHCC to carry out effective day to day decision making it was agreed that the City Treasurer would authorise the MHCC Chief Financial Officer (CFO) to carry out certain statutory functions and to undertake a Deputy S.151 type role for the pooled budget. Whilst the City Treasurer cannot delegate her overall responsibility for ensuring lawfulness and financial prudence of decision making and administration of the financial affairs, the MHCC CFO can be authorised to carry out approvals of expenditure in connection with adult social care and public health. The approval limits are set out within the Financial Framework and are up to the level at which the Executive Member would be involved and/or key decision threshold and within the delegated powers of the statutory roles held by the DASS duties and Director of Population Health and Wellbeing (DPH duties). These do not however provide a general delegation for the MHCC CFO to act on behalf of the City Treasurer
- 4.10. The statutory functions set out above are authorised by the City Treasurer to the MHCC CFO as an officer of the Council and cannot be further delegated to another individual within Manchester CCG.
- 4.11. The Council's Head of Finance for Adult Social Care and Children's Services is a member of the MHCC Finance Committee and provides a Business Partner role to support MHCC CFO undertake the statutory functions. The City Treasurer and Executive Member are also now members of this Committee to aid the alignment of decision making.
- 4.12. Further internal oversight of arrangements and assurance is provided through the oversight of Core Council support and professional functions including Legal Services, HROD and Finance. In addition to the Director of Adults Services (as DAS and Interim DASS), Director of Population Health and Wellbeing, MLCO Chief Executive and other Council and partnership officers report to the Health and Wellbeing Board and Health Scrutiny Committee and reports in the last six months have included:
  - Better Care Fund 2018/19: Health and Wellbeing Board 31 October 2018;
  - Prepaid Financial Cards – Adult Social Care (MLCO): Manchester City Council Health Scrutiny Committee 6 November 2018;
  - MHCC Pooled Budget 2019/20 including Adult Social Care: Manchester City Council Health Scrutiny Committee 4 December 2018 and 5 February 2019;
  - MLCO Update Report: Health and Wellbeing Board 23 January 2019 and Manchester City Council Health Scrutiny Committee 5 February 2019.
- 4.13. Independent assurance over arrangements is provided through the ongoing assessment of governance, risk management and control arrangements provided through a programme of internal audit work agreed by the Council's

Audit Committee. Further external oversight is provided by regulators and inspectors including NHS England, NHS Improvement and the Care Quality Commission.

## **5. Partnership Assurance Framework**

- 5.1. In addition to the governance arrangements that focus on risks and assurance within the Council, there are also partnership level assurance arrangements that exist within both MHCC and MLCO.
- 5.2. Both MHCC and MLCO have governance arrangements as agreed through the s.75 Partnership Agreement and the Partnering Agreement, which include the board, committee and executive functions; and business / operational plans as described above. These governance arrangements have been approved by NHS England and are subject to independent assessment by regulators including the Care Quality Commission and NHS Improvement as well as NHS and Council internal audit teams.
- 5.3. The internal audit of Council functions discharged through MHCC and MLCO is delivered by the Council's own audit team. The functions of Manchester CCG discharged through MHCC as well as the Mental Health Trust are audited by Mersey Internal Audit Agency. For MFT the internal audit service, the scope of which includes the health functions delivered through MLCO, is provided by KPMG. The respective auditors report to the Council, Manchester CCG and MFT Chief Finance Officers and Audit Committees on the scope of annual planning and the outcomes of their work.
- 5.4. The constitution and governance of both partnerships also reflect the requirements of the NHS to maintain Board Assurance Frameworks. This framework includes a system and process for the identification, evaluation and assurance of key risks and these arrangements are reported up to Board level with comprehensive reporting of key risks and associated mitigation actions. For MHCC this includes regular oversight of strategic and corporate risks by Board and by the Governance Committee. For MLCO this is through the Executive Team and the Partnership Board.
- 5.5. In updating the Board Assurance Frameworks and risk registers, officers from across MHCC, MLCO and the Council have engaged to share risk strategies and approaches with the aim of ensuring appropriate alignment. For example, the Council's Head of Audit and Risk Management and Risk and Resilience Manager both attended the January MHCC Governance Committee risk session to contribute to a review of key MHCC risks and similarly will share the Council's corporate risk register with both MHCC and MLCO as part of this process of ongoing risk review.
- 5.6. These frameworks also include arrangements within MHCC for the monitoring of performance, quality and assurance as they are based on arrangements established through the CCG. For MLCO this integrated reporting dashboard is in development to align with MFTs integrated dashboard reporting as MLCO are accountable to the Council for Adult Social

Care, not MLCO's wider health functions. There remains a challenge to ensure a fully integrated approach to assurance through these mechanisms as they have tended to focus on health services rather than social care, although these arrangements are developing further as the partnerships evolve.

## **6. Further Developments**

- 6.1. There are some areas acknowledged for further development in the current assurance arrangements that reflect the evolution of the partnerships and the requirements of key stakeholders.
- 6.2. Liaison between the respective auditors of the Council, Manchester CCG, MFT and GMMH has identified benefits of further and more effective liaison. This has worked well in some areas, for example in the coordination of governance audit work in MHCC in 2018/19 where the audit teams shared their respective plans and reports to enable a broader understanding and assessment of assurance. There have been a couple of examples however where this liaison has proven less effective and as a result the teams have committed to develop principles and protocols for internal audit work to ensure that they and the respective partners are fully aware of the scope and outcomes of audit work and can engage effectively in this process. This may include joint delivery of internal audit work where risks and controls plan systems and processes across partners. Similarly, recent liaison between MLCO, KPMG and officers from the Council's audit team has helped clarify respective proposals for planned governance audits for which the scope and outcomes of work will be shared.
- 6.3. To assist in the assessment of key sources of assurance across the partnerships, the Council's Internal Audit team will develop a high level assurance map in conjunction with the Director of Adults Services and Director of Population Health, so that the overall sources of assurances across the partnerships and in particular assurances required by the Council over the discharge of statutory duties can be captured and reported on.
- 6.4. As noted above MLCO is continuing to further develop the Board Assurance Framework to include an integrated dashboard in line with MFT arrangements.
- 6.5. In terms of Adult Social Care, the Director of Adults Services is aware of a number of areas for further improvement, including areas highlighted to Audit Committee through Internal Audit work. A programme and plan of development has been developed in consultation with health partners and forms a key element of the Directorate business plan for 2019/20 as presented to Health Scrutiny Committee in February 2019.

## **7. Conclusion and Recommendation**

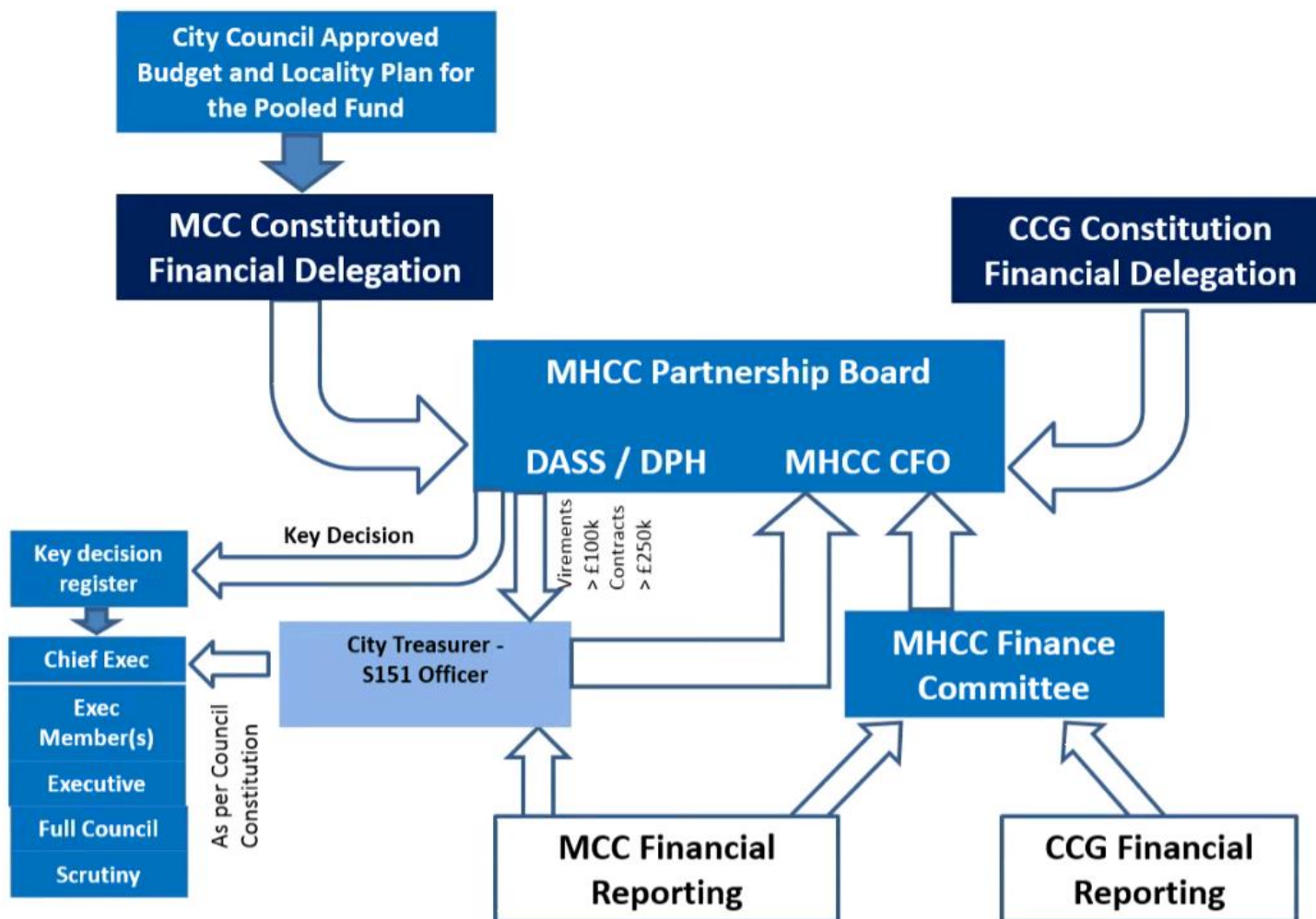
- 7.1. The assurance frameworks across health and social care in Manchester have been established based on the MHCC Partnership Agreement and the

Partnering Agreement with health partners via MHCC and MLCO. These arrangements continue to develop and are subject to ongoing review as the partnerships and the 'in-scope' services continue to evolve.

- 7.2. Audit Committee is requested to note the current assurance framework, planned developments and consider any further assurances required in discharging its assurance role within the City Council.

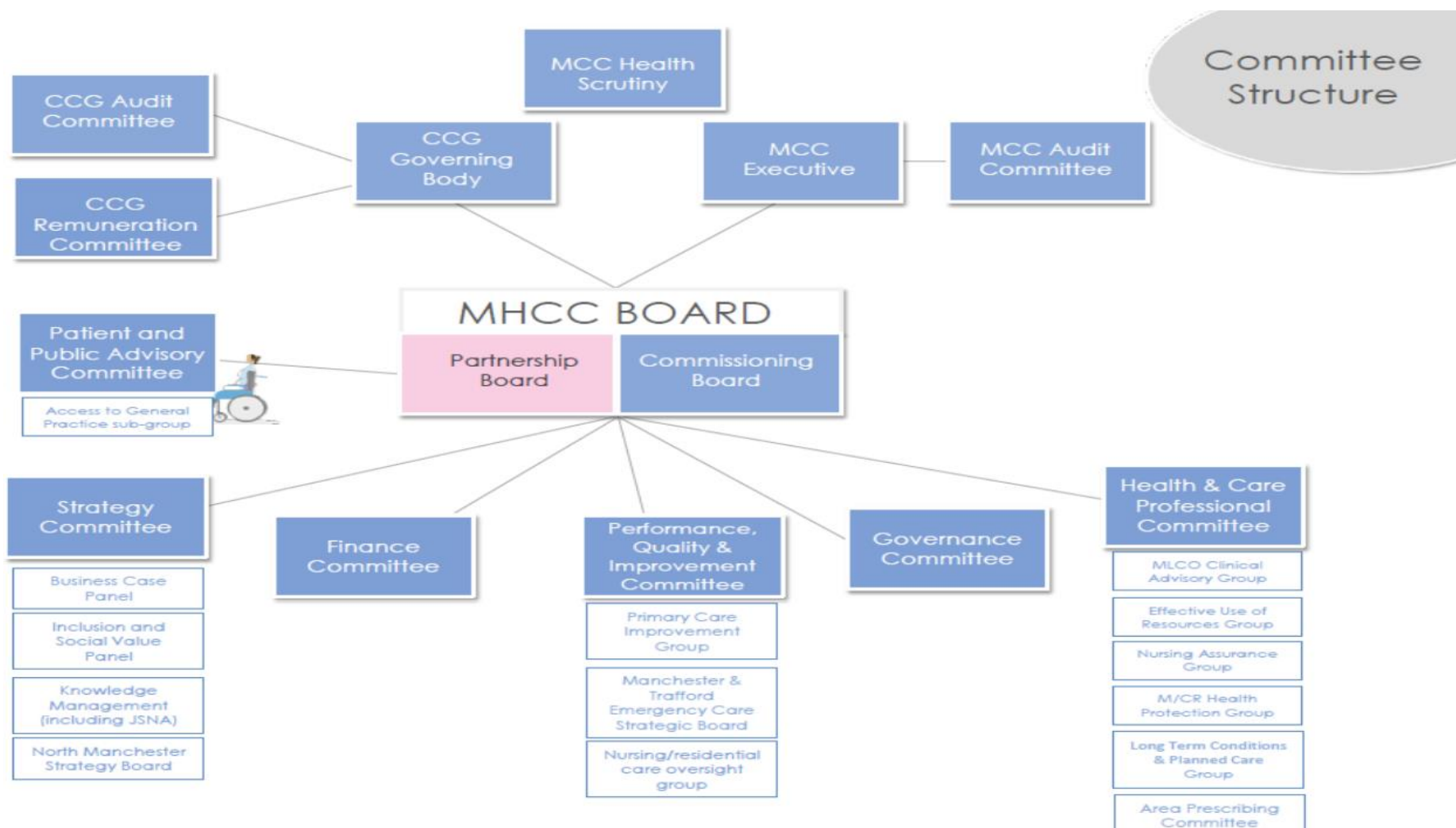
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## Appendix One: MHCC Financial Framework



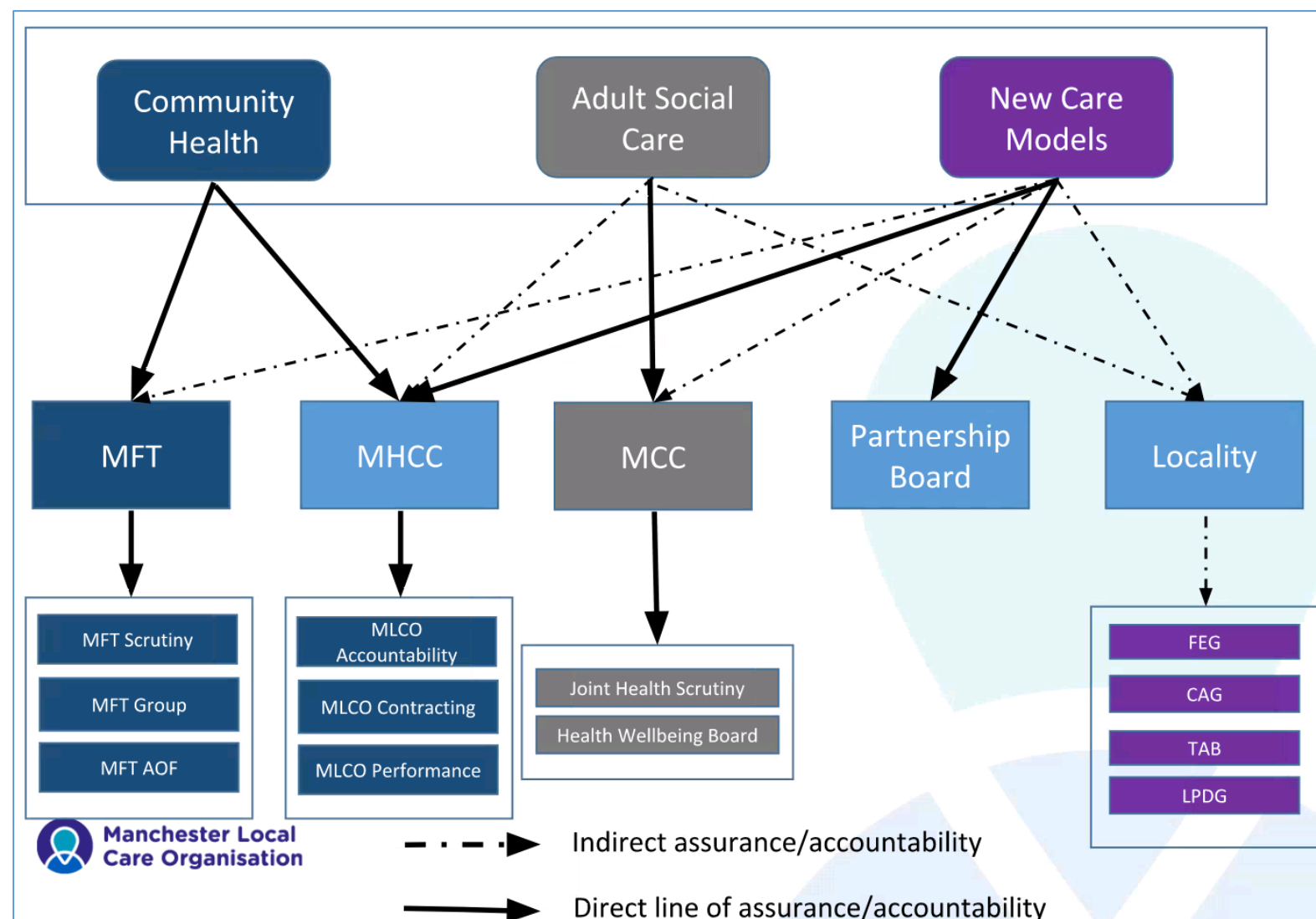
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## Appendix Two: MHCC Governance and Committee Structure (January 2019)



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## Appendix Three: MLCO External Governance



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