

Manchester City Council Report for Information

Report to: Audit Committee – 13 June 2023

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

Report of: Head of Audit and Risk Management

Summary

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

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

Recommendations

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

Wards Affected: All

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Background documents (available for public inspection):

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

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

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

1. Introduction

1.1. This report provides the annual opinion of the Head of Audit and Risk Management with a summary outturn of the work of the Internal Audit Section for the period April 2022 to March 2023. Updates on progress with the delivery of the audit plan and the risks, opinions and assurances arising from audit work have been provided to Audit Committee during the year.

1.2. In Manchester, the Head of Audit and Risk Management's approach is to obtain sufficient assurance to support the annual opinion, considering both internal audit work and other sources of assurance that include the following:

- Audit plan and other audit assurance and advisory work completed in year and audit work from prior years, where systems or processes have not been subject to fundamental change.
- Consideration of existing Council strategies, policies, and procedures. cumulative audit knowledge and experience of how these are applied and the key controls in place to ensure policy compliance. This includes a robust process for the development of the Code of Governance, annual governance statement and the register of significant partnerships.
- Review of the key assurances from Executive, Scrutiny Committees, Strategic Management Team, and Directorate Leadership Team reports including business plans, risk registers, performance and financial reports.
- Reports from external stakeholders, regulators, auditors and inspectors
- Data and information governance oversight through active involvement on the Corporate Information Assurance and Risk Group (CIARG) chaired by the Senior Information Risk Owner and established to provide assurance that effective information governance and ICT security controls are operating, for managing, safeguarding and making best use of information.
- Regular engagement with Directors and Heads of Service to understand key risks and issues; and assurance over how these have been addressed.
- Review of risk registers and of actions taken and being planned to respond to key risks at programme, directorate and strategic levels.
- Attendance and review of minutes from project groups and boards. This has included a range of ICT projects and related task/finish groups.
- Awareness of corporate developments and actions being taken to manage risk and maintain good governance through internal assurance sources such as finance, HR&OD, estates, health and safety and ICT (Information & Communication Technology).
- A high-level Internal Audit assurance map of key aspects of governance, risk management and control (appendix one).

1.3. The Internal Audit Plan proposed for 2023/24 contains a small amount of work carried forward from 2022/23, following an assessment that this work remains valid in terms of priority and continuing risk exposure.

2. Overall Opinion

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

Key Strengths

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

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

Risks and Issues Arising from Audit Work

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

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

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

3. Audit Plan Delivery

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

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

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

4. Audit Assurance, Risks and Issues

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

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

5. Children's Services and Education

School Financial Health Checks

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

School Financial Health Check Follow ups

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

Schools Financial Value Standard

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

concern and where additional actions are required were as follows:

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

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

Safer Recruitment in Schools

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

School Assurance 2023/24

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

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

Children's Supervisions

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

Supporting Families

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

Early Years Casework Management

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

Ofsted Improvement Plan Governance

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

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

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

Foster Care Payments

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

6. Adults Services and Public Health

Adult Social Care: Contract Governance

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

Direct Payments

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

Multi Agency Safeguarding Hub (MASH)

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

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

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

Management Oversight and Supervisions

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

Adults Payments

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

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

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

Adaptations

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

Adults Services Audit Recommendations

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

7 Corporate Core

Finance Systems

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

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

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

Payments

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

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

Commissioning, Procurement and Contracts

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

Our Town Hall - Management of Work Package Delivery

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

Social Value Monitoring

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

Contract Risk Management

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

Factory Project: Management of Work Packages

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

Information and ICT

Information Governance

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

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

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

ICT

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

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

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

Other Core Assurance Work

Covid19 and Cost of Living Support Work

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

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

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

Other Audit Work

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

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

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

8 Neighbourhoods

Homelessness - Review of Rents Team Core Processes

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

Housing Services: Empty Property and Voids

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

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

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

Damp and Mould in Council and Private Rented Sector Homes

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

Pest Control

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

Youth and Play Provision Transition

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

Local Investment Fund

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

9 Growth and Development

AVRO Hollows Tenant Management Organisation (AHTMO)

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

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

Building Control

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

10 Counter-Fraud and Investigations

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

Proactive Work

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

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

Reactive Work

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

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

11 Audit Recommendations

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

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

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

Table 3: Critical and Significant Priority Recommendations

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

12 Recommendation

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