

Appendix 1: Summaries of Audit Work and Other Sources of Assurance

A. Children and Education Services

Source	Assurance, Risk or Issue	Assurance
Audit	Early Years Case Management and Recording – overall we were assured with arrangements but more clarity was needed over the requirements for management oversight and challenge in case records and documentation of the approval of key decisions.	Reasonable
	The Supporting Families claim to GMCA was confirmed but audit work highlighted a need to increase quality assurance arrangements over the work of partners providing services and support to children	Reasonable
	Overpayments and duplicate payments along with a number of control issues were raised in the audit of Foster Carer Payments. This was issued as draft and confirmed a lack of reporting arrangements in place was making it difficult to provide assurance over the accuracy of payments and to identify any potential overpayments or duplicate payments. An investigation report also highlighted concerns and confirmed actions required for recovery and potential prosecution in a small number of actual cases where overpayments had been made. This will be an area for focused follow up in 2023/24.	Limited
	Ofsted Governance Assurance Assessment – Overall we were assured that effective governance, monitoring and challenge arrangements had been developed to support delivery of the improvements recommended by Ofsted. This included a clear plan for improvement, oversight and challenge from senior management and periodic oversight and challenge from members	Reasonable
	There are no overdue audit recommendations from our Childrens Services audits with all that have passed their due date confirmed as being fully implemented or superseded. Assurance reflects that two recommendations relating to placement finding had not been addressed but these have been classed as superseded as they are now integrated within the findings and recommendations from the limited assurance Foster Care Payments audit.	Reasonable
Other Assurance	June 2023 Children and Young People Scrutiny Committee received the 2023-25 Fostering Recruitment and Retention Strategy that sets out ambitions, targets and retention strategies for foster carers. Provides positive assurance that there is oversight of interventions in this priority area.	
	Backlog in payments to providers where invoices received do not match the initiating orders on liquid logic both within Adults and Childrens Services have continued to increase since our audit of Adults payments in the 2022/23 audit plan. In response to these ongoing concerns a cross Council project has	

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	been established with a remit to address concerns, some of which is likely to include changes to roles, responsibilities systems and processes. We have also included time in our audit plan to provide further support in this area.	
	Data quality in the Early Years and Education System has negatively impact on service delivery and capacity. The aim of the system was to consolidate a number of child-centred records and data in a single system but this has led to a high number of duplicates and work required to ensure these are addressed. The area is a focus of senior management and audit work in the 2023/24 plan.	

B. Schools

Source	Assurance, Risk or Issue	Assurance
Audit	Oswald Road Primary School Assurance Health Check - need to strengthen controls over expenditure with orders having been being raised outside of the finance system and quotations not always being obtained for higher value purchases.	Limited
	School of the Resurrection School Assurance Health Check – risks identified over expenditure controls, in particular the need to improve controls over the debit card and compliance with the requirement to obtain quotations for higher value purchases.	Limited
	Schools Financial Value Standards (SFVS) Reporting to DfE 2022/23 – We received fully completed SFVS returns from all 108 schools who were required to complete the Standard. This provides reasonable assurance that Governing bodies are reviewing key finance and governance arrangements within schools.	Reasonable
	Schools Financial Value Standards Reporting to DfE 2022/23 – related party transactions. Two related party transactions declared by schools exceeded the reportable value of £20,000 and were declared on the return to the DfE. We were not satisfied with the controls over one of these (valued at £74,509) as there had been no procurement exercise completed to confirm value for money and the decision to appoint the supplier had not been scrutinised by Governors. We have written to the Head Teacher and Chair of Governors at to outline concerns and recommended actions to improve controls. There were a further two related party transactions that did not exceed the limits for inclusion on the SFVS submission but were a concern for audit. We have asked for further explanation of the nature of the spend and for	Reasonable

Source	Assurance, Risk or Issue	Assurance
	additional evidence of the purchasing and approval process.	
Other Assurance	Re-establishment of the Ofsted Subgroup provides positive assurance of the Councils scrutiny and oversight of schools and other settings through formal member scrutiny and discussion of Ofsted reports.	

C. Adults and Public Health

Source	Assurance, Risk or Issue	Assurance
Audit	Manchester Service for Independent Living, Adaptations Delivery Model. The limited assurance was mainly due to the Service Level Agreement (SLA) between the Council and registered providers being out of date; the SLA was last updated / reviewed in 2018. We also confirmed that a key element of the SLA in terms of performance reporting had lapsed and there had been no central performance reporting across the adaptations process since the start of the pandemic.	Limited
	There is one recommendation due for implementation from our audit of the Adaptations Delivery Model which has yet to be fully implemented. This relates to bringing the delivery and oversight of Manchester Housing Operations adaptations back under the MEAP team. Initial discussions have taken place with work ongoing to complete the changes to bring this work back into the MEAP team.	Substantial
	Adults payments processes and backlogs - Backlog in payments to providers where invoices received do not match the initiating orders on liquid logic within Adults and Childrens Services have continued to increase since our 2022/23 audit. In response 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. We have also included time in our audit plan to provide further support in this area.	Limited
Other Assurance	Greater Manchester Mental Health NHS Foundation Trust: Improvement Plan Update report to Health Scrutiny Committee May 2023 provides some assurance of oversight and challenge to the Trust however this report confirms there remains a high level of risk in the provision of services to residents and this is reflected in the limited level of assurance that can be taken from the report.	
	(i) ICB Strategy and Joint Forward Plan; (ii) MPB Delivery plan /priorities; and (iii) Locality Performance and Outcomes Standards reports to Health Scrutiny Committee June 2023 and through Manchester Partnership Board meeting provides assurance over engagement through partnerships and Council oversight and challenge of services to residents	
	Manchester Safeguarding Partnership Annual Report 2021/22 presented to Health Scrutiny in June 2023.	

	Whilst this was positive the level of assurance reflects the time taken to publish and areas for development noted in the Significant Partnerships Register report to Audit Committee June 2023.	
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D. Core: Corporate Services and Chief Executive

Source	Assurance, Risk or Issue	Assurance
Audit	Contracts Risk Management - 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 over our response in these unprecedented times. Means of gaining assurance over gold contracts and the timeliness of this should be assessed to provide a greater understanding of the scrutiny, assurance, and operational monitoring of the Council's most critical contracts.	Reasonable
	Factory Project – Management of Work Package Delivery and Payments. There were established processes and controls to manage and determine progress with the ongoing delivery of the selected work packages and collaborative working amongst key partners was evident. Despite the complexity of the project and associated challenges around design along with external pressures our review confirmed the existence of good controls to manage the work packages selected as demonstrated by the various forms of monitoring, evidence of review of payments and variations and regular oversight and reporting of progress.	Reasonable
	Council Tax Discounts and Exemptions. Our Reasonable assurance opinion in this area was primarily informed by the strong application of controls to support the initial award of the discount or exemption. The key recommendation arising was to confirm an agreed timetable for regular review of continuing eligibility.	Reasonable
	Public Service Network (PSN) Code of Connection. We did a short piece of work giving Substantial assurance over the arrangements in place to develop the content of the Code of Connection submission to the Cabinet Office. Compliance with PSN requirements was subsequently assessed by them and the Council were deemed compliant.	Substantial
	Climate Change Action Plan Reporting. We were satisfied that target setting and progress tracking systems in place were robust, however we recommended that reporting should include additional consideration of the local, national and international risks to delivery of net zero.	Reasonable
	Audit recommendation implementation is 70%	Substantial
Other	Our work with a profit recovery firm continues, at the end of June this had recovered £285k of missed	

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Assurance	profit back to the Council. The exercise covers three financial years' worth of data in relation to payments made through the Council's standard payment process (excluding social care payments, payments made by purchase card etc). A formal evaluation report will be produced at the conclusion of this exercise, but at this stage we do not consider the findings to be indicative of any particular control weakness.	
	Commercial Activity Update Report to Resources and Governance Scrutiny Committee (RAGOS) April 2023 provided an overview of key aspects of the Council's commercial portfolio and governance and assurance activity which take place before, during and post completion of commercial transaction. Provided assurance over the approach being taken to manage commercial and finance risks and the details of the governance and oversight arrangements are reflected in the positive audit assurance assessment.	
	Corporate Priorities 2023/24 agreed by Executive May 2023 provides assurance that arrangements are in place for defining the outcomes and interventions needed to deliver priorities for the Council and City	
	RAGOS received a Major Contracts report in June 2023 which provided an update on the Council's key contracts, the Council's approach to the procurement of these contracts and assessments of how to source contracts due for renewal or extension. This provides assurance that there is oversight of the Council's key contracts. At the same meeting there was a report on the Council's Ethical Procurement Policy and fair tax assessments in procurement and development decision making. This demonstrates commitment to strong financial management and outcomes.	
	Our New Finance and HR System Update Report to Resources and Governance Scrutiny Committee (RAGOS) April 2023 gave an overview of the governance and objectives of the programme alongside the anticipated delivery timeline. This included lessons learned from similar programmes at other Councils.	
	A report on Factory project was presented to the Executive in October 2022. This provided an update and assurance of progress with the delivery and preparations for the opening of the building.	

E. Growth and Development

Source	Assurance, Risk or Issue	Assurance
Audit	<p>Unauthorised Building Work – We highlighted a lack of formal structure for recording and responding to compliance issues, with sample testing suggesting some cases had not been investigated at all. We understand the majority of compliance issues arise as routine business and are dealt with and resolved whilst inspectors are on site however, due to forthcoming changes in building legislation there are likely to be penalties and sanctions on Councils which do not meet as yet undefined service standards. Therefore more robust arrangements are required to ensure any allegations of unauthorised works are appropriately and proportionately investigated and relevant evidence retained to support work undertaken.</p> <p>There are four outstanding audit recommendations in relation to Avro Hollows Tenants Management Organisation audit work. A meeting was scheduled with the Chair of the TMO Board but has to be rescheduled. Action in respect of audit recommendations is part of the planned agenda. The governance of the TMO remains an area of concern to senior management as highlighted in the Register of Significant Partnerships report to Audit Committee in June 2023</p>	Limited
Other Assurance	<p>Greater Manchester Trailblazer Devolution Deal and its implications for Manchester was the focus of a report to Economy and Regeneration Scrutiny Committee. This provides assurance over the Council’s approach to GM and Government level engagement and the plans in place to achieve intended outcomes for GM and the City</p> <p>The Executive has recently received reports on key regeneration and development activity including an update on the regeneration of the Collyhurst estate, review of the proposed draft framework for the East Village area of the Piccadilly SRF ahead of public consultation and the proposed development framework for Wythenshawe Civic Centre and Gorton District Centre. This provides assurance over the Council’s commitment to ensuring the successful delivery of key Manchester Strategy Outcomes.</p>	

F. Neighbourhood Services

Source	Assurance, Risk or Issue	Assurance
Audit	Review of Fire Risk Assessment Processes (Residential Properties) – Audit identified that whilst there was a plan to address the backlog of outstanding FRA actions with deadline dates up to April 2022 there was not an agreed, coordinated approach to addressing FRA actions due after this time. To support this there is a need for strong communication, accountability and ownership from the multiple teams involved to align resources and prioritise action according to risk. Suitable resources both in terms of staffing and finance are needed to support this work.	Limited
	Review of Rents Team Core Processes -Overall we were assured by the developing arrangements to support the work undertaken by the Homelessness Rents Team. Assurance over the effectiveness of the team and approach could be further enhanced through the development and review of activity reports / management information to help evaluate the work undertaken by the team, provide an overall position of cases and help to highlight trends/areas requiring further work or scrutiny.	Reasonable
	There are no outstanding audit recommendations at this time.	Substantial
Other Assurance	Manchester Climate Change Framework report to Environment, Climate Change and Neighbourhoods Scrutiny (ECCNS) provided an overview of progress being made to deliver the recommended actions in Manchester’s Climate Change Framework (2020-25) and an update report on the work programme for the third year of the Action Plan (CCAP Work Programme 2023-24). These provide positive assurance over governance of the reporting and action planning but the reports confirm urgent actions are still needed with partners and stakeholders to achieve climate change ambitions for the City.	
	The Communities and Equalities Scrutiny Committee recently approved the establishment of an Anti-Social Behaviour Task and Finish Group . The objectives of the group were defined in the ToR and included work to identify the scale and types of ASB and to determine the tools and powers available to address ASB and their effectiveness. This provides assurance over member oversight and scrutiny of this area and the Council’s commitment to addressing associated issues and challenges.	
	Update report to the Communities and Equalities Scrutiny Committee on the Homelessness Service and the improvement and transformation that is happening across the service in an increasingly challenging social and economic context. The report provided assurance over the successful reduction of Bed and Breakfast use and the ongoing reduction in the numbers of people sleeping rough.	
	Ahead of the expiry of the VCSE infrastructure contract the Council and MHCC commissioned an external review to determine the VCSE sector’s needs. The report presented to June 2023	

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	<p>Communities and Equalities Scrutiny Committee provided an overview of the process undertaken and key findings. The new specification, in preparation of procurement in late 2023, sets out to address these findings, with a strong emphasis on the needs of the sector and the importance of focusing on equality, diversity and inclusion. This provides assurance over engagement with VCSE stakeholders and demonstrates the Council's commitment to Our Manchester Strategy priorities.</p>	
	<p>The Housing Improvement Board meets monthly to oversee improvement activity across housing services. There is dedicated support from the homelessness transformation team to improve overall governance and key workstreams have been identified to focus on key programme deliverables. Internal Audit have set aside resource to assist in the development of an assurance framework to supplement planned improvements.</p>	
	<p>Housing services continue to experience challenges around statutory compliance with building safety requirements and work is underway to strengthen compliance and assurance processes around fire risk management and damp and mould. Work is being overseen by the Housing Services Improvement Board to deliver the improvement programme and assurance framework to support planned improvements.</p>	

G. Counter Fraud and Irregularity

Corporate Cases

Internal Audit received 12 referrals of potential fraud or irregularity during the period April to June 2023. A summary of the types of allegations, including the 4 cases brought forward from the previous quarter are provided in the table below. Of those listed below, 5 were considered whistleblowing allegations and have been handled under the Council's Whistleblowing Policy and Procedure.

Type	Focus of Allegation(s)	Status	Conclusion
Corporate Employee – Conduct and Behaviour (b/f)	Data Breach	Completed	Unfounded
Corporate Employee – Conduct and Behaviour (b/f)	Decision Making	Ongoing	TBC
Corporate Employee – Abuse of Position (b/f)	Recruitment	Ongoing	TBC
Schools – Abuse of Position (b/f)	Decision Making	Referred to Education	TBC
Corporate Employee – Conduct and Behaviour	Bullying	Referred to HR	Unfounded
Contracting and Procurement – Contractor Conduct and Behaviour (b/f)	Inflated Invoicing	Ongoing	TBC
Contracting and Procurement – Contractor Conduct and Behaviour	Health and Safety	Ongoing	TBC
Corporate Claims – Application Fraud	Failure to Disclose	Completed	Unfounded
Corporate Employee – Conduct and Behaviour	Bribery	Completed	Unfounded
Corporate Claims – Application Fraud	False Details	Ongoing	TBC
Corporate Claims – Application Fraud	False Details	Completed	Unfounded
Schools – Officer Conduct and Behaviour	Bullying, Health & Safety	Referred to Education	TBC
Schools – Payment Misdirection	Redirection of Funds	Completed	Prevented
Schools – Payment Misdirection	Redirection of Funds	Completed	Prevented
Corporate Claims – Application Fraud	False Details	Ongoing	TBC
Corporate Claims – Payment Misdirection	Redirection of Funds	Ongoing	Prevented

Whilst 5 cases relate to officer conduct and behaviour these are spread across different directorate / service areas and do not indicate fundamental control weaknesses. Payment misdirection continues to be an area of ongoing risk, with periodic fraudulent attempts both corporately and within schools. In response to this risk an audit of Vendor Creation and Amendment was undertaken

during 2022/23 with a follow up due in the current year. The audit plan includes time to further support awareness and preventative actions within schools.

Other Reactive Cases

Type	Cases b/f	Cases Received 2023/24	Further Information
Business Rates	4	0	Concerns over eligibility for Small Business Rates Relief.
Business Grants Covid19 - with MCC	41	2	Investigation work is ongoing with the Counter Fraud Team
Business Grants Covid19 - with GMP	8	0	Referred to GMP for consideration.
Business Grants Covid19 - with NATIS	12	0	With National Investigation Service per Government Guidance
Council Tax Reduction Scheme (CTRS)	115	25	Relate to alleged fraudulent declarations (household composition/financial circumstances) or failure to declare changes in circumstances affecting eligibility for relief.
Housing Tenancy Fraud	70	10	Referrals received by Registered Providers and members of the public regarding illegal subletting of property.