

## Appendix 1

### A. Children and Education Services

Source	Assurance, Risk or Issue	Assurance
Audit	Early Years Case Management and Recording – 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, duplicate payments and associated control issues were raised in the audit of Foster Carer Payments. This confirmed a lack of regular reporting was making it difficult to provide assurance over the accuracy of payments and identify queries for review. The Strategic Director commissioned a working group to address the issues and progress will be assessed through Internal Audit follow up of recommendations in 2024/25.	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
Other Assurance	We took assurance during the year from updates and annual reports being presented to the Children and Young People Scrutiny Committee. These included the following: <ul style="list-style-type: none"> <li>• 2023-25 Fostering Recruitment Strategy.</li> <li>• Complex Safeguarding Hub Annual Report.</li> <li>• Fostering Service Annual Report.</li> <li>• Adoption Counts Annual Report.</li> <li>• Annual Virtual Schools Head Teacher Report.</li> <li>• Local Authority Designated Officer (LADO) Annual Report.</li> </ul>	
	Data quality in the Early Years and Education System has negatively impacted on service delivery and capacity. The aim of the system was to consolidate a number of child-centred records and data from social care, adults services, education and early years in a single system but this has led to a high	

	<p>number of duplicates and work required to ensure these are addressed. The scale of this work has results in a number of workarounds and it is clear that the system and associated processes require further development to both address current data quality issues and prevent these from recurring in future. The Head of Audit and Risk Management has been engaged in options assessments for this work which is ongoing and will be an area for audit follow up in 2024/25.</p>	
	<p>A report on a Joint Targeted Area Inspection (JTAI) of Serious Youth Violence in Manchester went to the Communities and Equalities Committee in January 2024. This was a multi-agency inspection led by Ofsted in Autumn 2023. The report concluded that there were robust multi agency arrangements and the Complex Safeguarding Hub promotes and supports an effective multi agency response. There were six areas for improvement and in response a multi agency action plan has been developed. The delivery of this will be overseen by the Community Safety and Manchester Safeguarding Partnerships.</p>	

## B. Schools

Source	Assurance, Risk or Issue	Assurance
Audit	<p>We have completed 12 School Financial Health checks during the year, seven of which have been finalised and one has been issued as a draft report. Four remain in progress at year-end. Of the Schools where reports have been issued we have provided seven limited and one substantial opinion. The key area contributing to the limited opinions has been the need to strengthen controls over expenditure. This included concerns over ensuring value for money for higher value purchases by way of obtaining alternative quotations and the need to ensure appropriate use of purchase orders and authorisation of expenditure including when purchase cards are used.</p>	Limited
	<p>For the Schools Financial Value Standards (SFVS) Reporting to DfE 2022/23 we received 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.</p>	Reasonable
	<p>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</p>	Reasonable

Source	Assurance, Risk or Issue	Assurance
	<p>appoint the supplier had not been scrutinised by Governors. 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 wrote to the Head Teacher and Chair of Governors at each of these schools to outline concerns and recommended actions to improve controls.</p>	
	<p>We completed a follow up audit of our previously completed limited opinion Safer Recruitment in Schools report. This concluded that recommendations to improve compliance with the Schools Safer Recruitment Policy have been partially implemented. All recommendations for the Council to implement have been addressed and significant progress was made in the implementation of recommendations directed at the individual schools visited. Five out of nine school action plans have been fully implemented with the remaining four being partially implemented. For those with recommendations outstanding we were satisfied that they were in the process of addressing outstanding issues.</p>	Partially implemented
Other Assurance	<p>We are developing a pack of information to share with all Manchester schools in April which will include:</p> <ul style="list-style-type: none"> <li>• a summary of strengths and issues we have found in school audits over the last few years and key learning points;</li> <li>• a financial responsibilities document which will highlight the key financial responsibilities (both oversight and delivery roles) for Governors, Head teachers and Business Managers;</li> <li>• a key financial controls self assessment document covering the financial controls we include in the schools financial health check to enable schools to periodically assess their own financial controls. We will recommend that they complete this self assessment if they have not been subject to an internal audit in the last five years and share the results with Governors alongside any actions to address areas of concern.</li> </ul>	
	<p>An <a href="#">OFSTED inspection summary</a> was presented to the Overview and Scrutiny Ofsted Subgroup in November 2023 and identified 88.4% of Manchester schools were judged to be good or better, which placed the city fifth out of ten local authorities within Greater Manchester and in line with the average for the north-west and nationally.</p>	

### C. Adults and Public Health

Source	Assurance, Risk or Issue	Assurance
Audit	An audit of the Manchester Service for Independent Living, Adaptations Delivery Model resulted in limited assurance over the arrangements for delivery of the adaptations offer. This was mainly due to the Service Level Agreement (SLA) between the Council and registered providers being out of date, having last been 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. Seven recommendations arose from this work.	Limited
	Follow-up on the Adaptations Delivery Model audit confirmed that three of the seven recommendations had been fully implemented. The remaining four will be superseded by the decision to bring responsibility for adaptations back into the Council by September 2024 which should help improve consistency in the delivery, management and oversight of adaptations. There were risks that will not be fully superseded until the work of the Lead (Housing) Registered Provider is brought back into the Council and a new recommendation was made to ensure that actions will be overseen by the Working Group responsible for the transition. This follow up review which will be issued by the end of April 2024.	Reasonable
	An audit of the financial arrangements for Direct Payments confirmed concerns as managed accounts, where a third party, supports the administration of the direct payment (c2/3 of cases) were not reviewed by the direct payments audit team. This lack of oversight and checking were the main focus of recommendations in a final report including agreement from management of actions and timescales for implementation.	Limited
	Reasonable assurance was provided that there was an effective Quality Assurance Framework in place for Adults Social Services. This assessment was based on a framework that has been developed by the Practice and Learning Development Consultant. The assurance was based on the premise that the revised framework will be implemented as set out in plans and that the assurance activity described in the framework becomes embedded in operational activity. We are confident from discussions with the Practice and Learning Development Consultant and from review of the new framework documentation that arrangements are now in place to ensure this happens.	Reasonable
	Follow up on an Adults Payments audit from December 2022 showed that there has been significant work towards addressing underlying issues. Progress had been slower than anticipated due to capacity but also because the service went gone beyond the original recommendations and redesigned elements of the process to ensure changes and improvements were as effective as possible. The new operating model has necessitated system change and is expected to go live by the end of March 2024. Although	Partially Implemented

Source	Assurance, Risk or Issue	Assurance
	<p>slower in implementation this approach should mean this is more likely to secure a longer-term sustainable solution.</p> <p>Follow Up of the Adult Social Care Contract Governance audit confirmed the implementation of one recommendation through work undertaken to increase the capacity of the Contract Team. Whilst progress with the remaining significant recommendation had been made the additional controls were not sufficiently developed or embedded to mitigate the risks identified during the original audit so this will be subject to further follow-up in 2024/25.</p>	<p>Partially Implemented</p>
Other Assurance	<p>A significant amount of focus has remained in year in respect of Greater Manchester Mental Health NHS Foundation Trust. An Improvement Plan Update report to <a href="#">Health Scrutiny Committee May 2023</a> provided assurance of oversight and challenge to the Trust but acknowledged a high level of risk was impacting the provision of services to residents. This meeting established the Greater Manchester Mental Health NHS foundation Trust: Improvement Plan task and finish group which met in December 2023, January 2024 and February 2024 to receive updates on progress and challenges to delivery of the plan. In February an update was received from the Executive Member for Healthy Manchester and Adult Social Care on the leadership and governance workstream of the plan. The task and finish groups final report was also discussed at this meeting with a number of recommendations subsequently presented to the March 2024 Health Scrutiny Committee for their endorsement.</p> <p>Reports to Health Scrutiny Committee in June 2023 and through <a href="#">Manchester Partnership Board meetings</a> provides assurance over engagement through partnerships and Council oversight and challenge of services to residents. These included:</p> <ul style="list-style-type: none"> <li>• Integrated Care Board Strategy and Joint Forward Plan</li> <li>• Manchester Partnership Board Delivery plan /priorities</li> <li>• Locality Performance and Outcomes Standards</li> </ul> <p>The <a href="#">Manchester Safeguarding Partnership Annual Report 2021/22</a> was presented to Health Scrutiny in June 2023. Whilst this was positive the level of assurance reflected the time taken to publish and areas for development noted in the Significant Partnerships Register report to Audit Committee June 2023.</p>	

Source	Assurance, Risk or Issue	Assurance
	<p>Public Health - A report was provided to Health Scrutiny Committee in October 2023 updating on progress in delivering the Making Manchester Fairer: tackling health inequalities in Manchester 2022-27 action plan. This report and update to Members provided positive assurance over the governance arrangements in place for overseeing this critical programme across the City. The Public Health Annual Report was presented to Health Scrutiny Committee in March 2024. This focused on HIV and sexual health. The report was split into three sections; Part One: "That was Then" discussed how Manchester responded to the emerging global challenge of HIV/AIDS in the 1980s and 1990s. Part Two: "This is Now", highlights how Manchester has taken the learning from those times into the present day. At the end of the report under "What next for Manchester" the Director of Public Health makes a series of recommendations on future actions needed to committee for consideration.</p>	

#### D. Core: Corporate Services and Chief Executive

Source	Assurance, Risk or Issue	Assurance
Audit	<p>The Contracts Risk Management audit confirmed that the impact of financial and macro-economic risks such as inflation and supply chain disruption were reasonably understood, and mitigations were in place and were being strengthened to respond to these risks in contracts. Regular reporting to the Commercial Board, scrutiny committees and SMT provided transparency and a mechanism for following up our recommendations designed to increase the level and timeliness assurance over the most critical, gold contracts.</p>	Reasonable
	<p>Management of Work Package Delivery and Payments in the Factory Project confirmed there were established processes and controls to manage and determine progress with the 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 cost and external pressures our review confirmed the existence of good controls as demonstrated by the various forms of monitoring, evidence of review of payments and variations and regular oversight and reporting of progress.</p> <p>The Management of Post Procurement Cost and Reporting for the Our Town Hall Project also resulted in reasonable assurance. Roles and responsibilities in terms of change requests and transfers between</p>	Reasonable

Source	Assurance, Risk or Issue	Assurance
	work packages were clear and being followed with regular cost reporting and divergence monitoring in place providing. Collaborative working between the management and delivery partners was apparent to ensure the completeness and accuracy of cost reporting.	
	Reasonable assurance was provided over Council Tax Discounts and Exemptions reflected strong application of controls to support the initial award of the discount or exemption. The key recommendation was to confirm a timetable for regular review of continuing eligibility to ensure that any reduction or removal of liability remained valid.	Reasonable
	The audit of imprest accounts confirmed limited assurance with a number of critical and significant recommendations made. Officers developed a positive action plan to deliver improvement in this area and we are engaged with some of the steps already being taken so are confident that issues are understood and improvement actions are being taken and will follow up progress in April 2024.	Limited
	A follow up audit on Vendor Creation and Amendment confirmed four of the five recommendations had been implemented with progress made towards implementing the fifth.	Reasonable
	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
	A focused review on the Public Service Network (PSN) Code of Connection provide assurance over the process for Code of Connection submission to the Cabinet Office who reviewed this assessment and confirmed the Council were compliant.	Substantial
	<p>Three grant certifications were completed without error or issue:</p> <ul style="list-style-type: none"> <li>• Net Zero Pioneer programme of £9k.</li> <li>• Changing Places Fund of £7k in 2022/23 with the remaining grant allocation of £168k to be spent by March 2024 with <a href="#">six Changing Places toilet facilities being delivered</a> across the city.</li> <li>• Family Hubs and Start for Life Programme of £668,259 to the end of September 2023.</li> </ul>	<p>Substantial</p> <p>Substantial</p> <p>Reasonable</p>
	A review of the process for Officer Gifts and Hospitality noted a number of issues in record keeping which were attributed to a lack of awareness of expectations in this area. The report also noted the potential requirement for further advice and guidance for specific services who are more likely to be actively involved in entertainment, sporting or cultural development. Internal Audit will remain involved in the development and delivery of agreed actions during 2024/25.	Limited

Source	Assurance, Risk or Issue	Assurance
Other Assurance	<p>The Executive and the Resources &amp; Governance Scrutiny Committee have received several reports in relation to the design and delivery of key corporate strategies. In particular, throughout the year the Executive has considered monthly update reports highlighting the progress made with the delivery of Our Manchester 2016-25. Resources &amp; Governance Scrutiny considered a report in February on creating a <a href="#">new Our Manchester Strategy for 2025-35</a>.</p> <p>In October the Resources &amp; Governance Scrutiny Committee considered updates on the plans to deliver the priorities agreed as part of the wider <a href="#">Workforce Strategy</a>, the <a href="#">delivery of the Future Shape programme</a> and the <a href="#">delivery of the Council's Workforce Equality Strategy</a>. This reported that 38 of the agreed 47 actions had been fully delivered, with progress having been made in respect of a further 6.</p> <p>The Council has also considered impacts on resident welfare and anti-poverty. In January, the Resources &amp; Governance Scrutiny Committee considered a report on <a href="#">Anti-Poverty Budget Options</a>, and the <a href="#">outcome of a review of the Council's use of enforcement agents</a> was also presented.</p>	
	<p>The Council continues to support delivery of the external audit on previous years' final accounts. In July Audit Committee were presented with the opinion on the <a href="#">2020/21 accounts</a>, and in September the opinion on the <a href="#">2021/22 accounts</a>. Both of these were agreed with unqualified opinions, although some areas for improvement in internal control were noted. The Committee is due to receive the outcome of the audit of the 2022/23 accounts in April 2024.</p> <p>There has been considerable reporting to Committee throughout the year on the budget setting process, including the <a href="#">draft timetable</a>, the <a href="#">process</a> itself, the <a href="#">setting of Council Tax and Business Rates bases</a>, and dedicated papers on each area of the budget. The Council's <a href="#">Treasury Management strategy</a> was also agreed by the Executive in February. Resources &amp; Governance Scrutiny Committee have also overseen <a href="#">changes to the Council Tax Support Scheme</a>, and <a href="#">changes to Council Tax due in respect of empty properties</a>.</p>	
	<p>The Resources &amp; Governance Scrutiny Committee received Major Contracts reports in <a href="#">June 2023</a> and <a href="#">March 2024</a> 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. These provide assurance that there is oversight of the Council's key contracts. The Council</p>	



Source	Assurance, Risk or Issue	Assurance
	<p>continues to seek wider outcomes from its procurement activity, with scrutiny in year of <a href="#">social value delivery</a>, <a href="#">ethical procurement policy</a> and (in February) <a href="#">sourcing policy</a>. In November an <a href="#">update was presented on new procurement regulations</a>, which will come into effect in late 2024, and the potential impacts on the Council's approach.</p>	
	<p>Throughout the year, Internal Audit and Exchequer Services have supported an exercise undertaken by a profit recovery firm. The exercise covered three financial years' worth of payments made through the Council's standard payment process and at the end of February this had recovered £512k funds back to the Council. A formal evaluation report will be produced at the conclusion of this exercise in May 2024, but we do not consider the findings to be indicative of any particular control weakness.</p>	
	<p>Commercial Activity Update Reports were presented to Resources and Governance Scrutiny Committee in <a href="#">May 2023</a> and <a href="#">January 2024</a>. These provided an overview of the Council's commercial portfolio and governance and assurance activity which takes place before, during and after the completion of commercial transactions. This provided assurance over the approach being taken to manage commercial and finance risks and the details of the governance and oversight arrangements, including the Major Contracts Oversight Board and the Due Diligence Framework applied to significant contracts.</p>	
	<p>In December a paper was presented to Resources and Governance Scrutiny Committee outlining the <a href="#">impact of recent market changes on the delivery of the Council's capital programme</a>, and the proposed approach for setting the 2024/25 capital budget. In July, progress updates were provided on delivery of <a href="#">Factory International</a> and <a href="#">Our Town Hall</a>. In December the Resources &amp; Governance Scrutiny Committee considered an <a href="#">annual report</a> on property-related work, developments and issues.</p>	
	<p>In respect of the Council's use of technology, the Resources &amp; Governance Scrutiny Committee considered a paper on <a href="#">Artificial Intelligence and Automation</a> in September, which updated members on emerging control and governance arrangements. The Committee has also received progress updates in relation to the delivery of key technology-enabled change programmes, including the <a href="#">Resident and Business Digital Experience Programme</a> and the <a href="#">Our New Finance and HR System Programme</a>. These programmes both continue into 2024/25 and we will continue to seek assurance over their governance and delivery arrangements.</p>	

## E. Growth and Development

Source	Assurance, Risk or Issue	Assurance
Audit	Audit work was undertaken to certify £8.5m of 2022/23 Disabled Facilities Grant expenditure. Based on our review we confirmed the Council was compliant with the grant conditions.	Substantial
	Grant certification work was completed in respect of Arts Council funding supporting the Suzanne Lacy: Uncertain Futures exhibition at Manchester Art Gallery. No issues of concern were identified.	Substantial
	We certified spend incurred in 2022/23 from the Homes Upgrade Grant (HUG) which provides funding for improvement work to qualifying private sector properties with a low energy efficiency rating. While overall programme spend is expected to be £10.4m, spend in 2022/23 was solely to support mobilisation costs of £16,000 as we confirmed this with no areas of concern identified.	Substantial
	We issued a reasonable assurance opinion over governance supporting delivery of the Victoria North project. The roles and responsibilities of the Council and partners were clearly defined and a review of records confirmed they were discharged in line with these. The Joint Venture Board had a clear set of objectives, appropriate mechanisms were in place to provide ongoing assurance and oversight of the effective delivery of the project, and relevant reporting was in place to support Council monitoring, challenge and decision making. We identified some areas for improvement in the current governance framework and controls, identification and fulfilment of Council assurance needs over the project, ongoing due diligence checks, and reporting of the project's contribution to the zero-carbon agenda and actions to respond to these recommendations are in the process of being implemented.	Reasonable
	Three outstanding audit recommendations remain in relation to Avro Hollows Tenants Management Organisation audit work which are over 12 months overdue. In accordance with the Management Agreement between the Council and TMO an independent review has been commissioned and is in progress. The aim is this will report in April / May 2024. Internal Audit remain sighted on this review and the Head of Audit and Risk Management continues to work with the Head of Strategic Housing to seek interim solutions to improve governance of the TMO pending the outcome of the review. However, there is insufficient assurance at this time and as such we consider exposure to risk remains.	Outstanding
Other Assurance	We identified other sources of assurance during the year. These included reports to various Scrutiny Committees. Whilst we cannot give audit assurance over the areas reported, as some areas were not subject to audit work during the year, they provide additional assurance that is considered in the overall opinion. These reports primarily to Executive and Economy and Regeneration Scrutiny Committee	N/A

Source	Assurance, Risk or Issue	Assurance
	<p>included:</p> <ul style="list-style-type: none"> <li>• <b>Budget</b> proposals for the Directorate supported by service overview and priorities, proposed changes to budgets, commissioning and procurement priorities and future opportunities, risks and policy considerations.</li> <li>• The <b>Economic Strategy</b> which set out how the City would continue to achieve economic growth whilst fulfilling its function as the main driver of prosperity for people living in the City.</li> <li>• Reports in relation to the <b>Victoria North</b> project. These included the refresh and consideration of the Strategic Business Plan and subsequently the Development Area Business Plan. This provided high level oversight and assurance of progress with the project along with the provision of key opportunities, challenges and risks associated with the overall programme.</li> <li>• Reports on key <b>regeneration and development</b> activity including Collyhurst, 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. These reports provided assurance over the Council's commitment to ensuring the successful delivery of key Manchester Strategy Outcomes.</li> <li>• An annual report on the Council's <b>Section 106</b> activity provided assurance over the activity and value of contributions received and spent in addition to benchmarking activity with other Local Authorities.</li> <li>• The agreement of a revised Statement of <b>Licensing</b> Policy providing assurance over the approach to licensing duties and the fulfilment of requirements of the Licensing Act (2003).</li> <li>• <b>Housing Retrofit</b> update reports setting out proposals to decarbonise properties across the City and the planned activity to achieve this as well as highlighting key achievements to date.</li> <li>• A report on the Greater Manchester <b>Trailblazer Devolution</b> Deal and its implications for Manchester which provided assurance over the Council's approach to Greater Manchester and Government Level engagement and the plans in place to achieve intended outcomes.</li> <li>• Update report on the <b>Work and Skills Strategy</b> 2022-27 providing a progress update and next steps for the delivery of the Strategy's 5 key themes.</li> <li>• <b>Manchester Adult Education Service</b> update providing information on performance in 2022/23 and the skills challenges in the city.</li> </ul>	

Source	Assurance, Risk or Issue	Assurance
	<b>Manchester Adult Education Service</b> received a 'Good' rating in their most recent Ofsted inspection providing assurance over adult educational standards and reaffirmed the Council's mission to connect Manchester's adults to their potential, their community, and their future."	
	Internal Audit have been engaged in <b>Due Diligence</b> and <b>Development Agreement</b> Task and Finish Groups in the year. This work reports to the Commercial Board and harnesses expertise from across the Council from services including Development, Commercial Governance, Procurement and Finance to further strengthen the approach to governance of third-party relationships with suppliers, contractors and developers. This provides assurance that these complex arrangements are subject to ongoing oversight and there is continual review and refresh of arrangements to strengthen systems of control	

## F. Neighbourhood Services

Source	Assurance, Risk or Issue	Assurance
Audit	The 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 for addressing FRA actions due after this time. There was also a need for strong communication, accountability and ownership from the multiple teams involved to ensure resources were aligned and actions prioritised according to risk. Suitable resources both in terms of staffing and finance were needed to support this work. Seven actions were agreed and progress was assessed in the follow up audit below.	Limited
	The Fire Risk Assessment Processes Follow Up Review confirmed implementation of six recommendations from the limited assurance audit, with the remaining one implemented in part. Significant progress had been made to reduce risk with the finalisation and roll out the corporate Access Policy the remaining recommendations to be addressed to mitigate risks associated with tenant refusals to allow access to their homes to complete required works.	Substantial
	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	Reasonable

Source	Assurance, Risk or Issue	Assurance
	team and approach could be further enhanced through the development and review of activity reports / management information to help evaluate the work undertaken, provide an overall position of cases and help to highlight trends/areas requiring further work or scrutiny.	
	Waste and Street Cleansing Contract Performance Management – We provided reasonable assurance over the operation of the street cleansing contract performance framework. There were clear roles, responsibilities and expectations defined within contract documents and these were understood by both parties, with robust governance arrangements in place and evidence of good communication between the Council and Contractor. However performance reported by the Contractor was not validated or being used effectively to supplement the additional checks undertaken by the contract team.	Reasonable
	Repairs and Maintenance Contract (Housing Services) Performance Management and Reporting – We provided limited assurance over the contract and performance monitoring arrangements for the repairs and maintenance contract. We identified areas of strength including oversight from the Housing Services Senior Management team and operational boards, a positive direction of travel and recent improvements within systems and processes. However, improvements were needed to improve assurance over the integrity, quality and completeness of the data being reported by the Contractor. Other areas requiring attention included unclear roles and responsibilities, over-reliance on performance data supplied by the Contractor, capacity challenges and inadequate IT infrastructure. The recommendations will be subject to a follow up review once recommendations have reached their target dates (June 2024).	Limited
	Homelessness Commissioning and Contract Management – We provided reasonable assurance and highlighted opportunities to develop consistency in approach including the alignment and focus of resources based on risk. The scale of growth in commissioned services in recent years combined with reliance on time-limited grant / external funding and the short lead times to set up services, had led to disparate pockets of work and processes. As a result we highlighted that work was needed to increase consistency in performance management and reporting to obtain assurance over providers and direct focus to those providers not meeting contractual and service requirements and expectations.	Reasonable
Other Assurance	We identified other sources of assurance during the year. These included reports to various Scrutiny Committees. Whilst we cannot give audit assurance over the areas reported, as some areas were not subject to audit work during the year, they may be used to provide additional assurance to Members. These reports, primarily to Executive, Communities and Equalities Scrutiny Committee and Environment,	N/A

Source	Assurance, Risk or Issue	Assurance
	<p>Climate Change and Neighbourhoods Scrutiny Committee, included:</p> <ul style="list-style-type: none"> <li>• Adoption of the <b>Homelessness and Rough Sleeping</b> Strategy providing assurance that there is an agreed plan to respond to Homelessness (2024-27). The proposed model for winter provision was also presented during the year.</li> <li>• An update on the implementation of the <b>Community Safety</b> Strategy 2022-25.</li> <li>• A performance report in relation to the <b>Compliance and Enforcement</b> Services during 2022/23 that provided an update on demand and performance of the service and challenges for the service.</li> <li>• An annual report on the <b>Highways</b> Condition of the City which highlighted performance, key outcomes and successes in 2022/23 along with capital expenditure. This also provided assurance over the methods of communication to ensure ongoing engagement with residents and members.</li> <li>• Updates in relation to <b>Waste, Recycling and Street Cleansing</b> providing assurance over the service's contribution to protecting the environment, climate change agenda and key priorities for the future and a progress update in delivering waste, recycling and fly tip removal services for residents.</li> <li>• An update on the <b>Library Strategy</b> including the contribution to Council priorities, performance during 2023 and how the strategy addresses future funding challenges.</li> <li>• <b>Digital Inclusion</b> Update which included the work undertaken by the Digital Inclusion Steering Group and development and implementation of the Digital Inclusion Action Plan.</li> <li>• Annual <b>Culture</b> Report including the full work programme of the Council's culture team.</li> <li>• Overview of the purpose of the Council's Community <b>Events</b> Fund and the administration of this.</li> <li>• Progress on delivery of the <b>Manchester Active Travel</b> Strategy and Investment Plan.</li> <li>• Manchester's <b>Park</b> Strategy 2017-2027 providing an update on progress and overview of the approach to develop a new delivery plan to guide investment, upkeep and activation of parks.</li> <li>• Various <b>climate change</b> related reports including climate change actions plans for <b>Bereavement Services</b> and <b>Parks</b>, which provided assurance over the work being undertaken in specific service areas to contribute to a key Council priority area.</li> </ul>	
	<p>The Housing Services Improvement Board continued to meet monthly with representatives from Housing Services Management team, Finance, HROD&amp;T, ICT and Internal Audit in attendance. We confirmed there has been a strong focus on driving improvements to building safety, improved reporting to the</p>	

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	Board and regular oversight of ICT migration and harmonisation programmes throughout the year.	
	The Crime and <b>Antisocial Behaviour</b> Task and Finish Group was formed to investigate and better understand the levels of Anti-Social Behaviour in Manchester. Meetings were held during the year to review a number of key lines of enquiry. This culminated in agreement of recommendations which were endorsed by the Communities and Equalities Scrutiny Committee in December 2023.	N/A

### G. Counter Fraud and Irregularity

Source	Assurance, Risk or Issue	Assurance
Audit	<p>Referrals, including those from staff and workers (including whistleblowing allegations) as well as external parties, remain the key means of identifying suspected fraud, irregularity, wrong-doing or misconduct. The number of referrals received and logged within Internal Audit in relation to corporate cases, illegal subletting of housing, and false claims under the council tax reduction scheme have remained consistent with previous years with no indication of systemic weakness in systems of control.</p> <p>In summary the numbers and areas of focus have been:</p> <ul style="list-style-type: none"> <li>• 52 corporate referrals were received, of which 10 were identified as whistleblowing concerns. Half of the referrals related to conduct and behaviour - both of employee and contractors. The remaining themes included abuse of position, conflict of interest, payment misdirection and corporate claims. The referrals related to all directorates; with no one particular service being of particular concern.</li> <li>• 44 referrals concerning housing tenancy fraud (including right to buy discounts).</li> <li>• 70 referrals relating to false/inflated claims for council tax discounts (including council tax reduction scheme and single person discount)</li> <li>• 13 new referrals were received in relation to false/inflated claims for Covid-19 business grants.</li> </ul> <p>A small number of investigations have taken place in respect of recruitment that did identify some</p>	

Source	Assurance, Risk or Issue	Assurance
	<p>inconsistency in approach and policy non-compliance. Internal Audit shared observations with HROD to be considered in a revised Recruitment and Selection Policy and Procedure as well as guidance for recruiting managers and panels. A programme of recruitment training has also been rolled out which should help further ensure all managers are equipped with the necessary awareness to ensure the quality and consistency of recruitment activity.</p>	
	<p>Counter-fraud e-learning training was deployed out to all maintained and voluntary aided schools. The course was particularly focused on senior leaders with financial responsibilities and provided information around potential fraud risk areas, and the importance of preventative and detective controls. There has been active take up of the course and to further raise awareness the Internal Audit programme has also been strengthened to include a greater focus on aspects of fraud risk.</p>	
	<p>The Council has continued to actively participate in the National Fraud Initiative, the Cabinet Office's biennial data matching exercise involving a large number of public sector organisations. This provides assurance that the risk of fraud is acknowledged within the organisation and that pro-active action is being taken to detect and pursue this where it is found. There are no major issues arising from this process that indicate a breakdown in systems of control.</p>	
	<p>Audit Committee were invited to attend a Development and Training Session in December 2023 which included a briefing on Counter Fraud Awareness and Whistleblowing. Sessions on fraud awareness with Directorate Leadership Teams have progressed and are scheduled to run until June. These involve senior officer briefings and fraud risk reviews and fraud risk assessment sessions with their management teams. The level of assurance will move to green when these are complete.</p>	
Other Assurance	<p>The Head of Audit and Risk Management and management have presented various reports to Audit Committee during the year, in relation to Counter Fraud and Irregularity activity. These included:</p> <ul style="list-style-type: none"> <li>• The Annual Internal Audit Plan 2023/24 (June 2023) provided an overview of planned audit activity and resources during the year, which included counter fraud and irregularity.</li> <li>• Quarterly Assurance Update reports detailed progress on the agreed audit plan, outlining the key areas of focus during the period.</li> <li>• The Annual Fraud Report (November 2023) provided a summary of the Council's anti-fraud arrangements and provides assurance that the Council has arrangements place to deter, prevent, detect and investigate fraud and irregularity. The report also includes a summary of investigation</li> </ul>	



Source	Assurance, Risk or Issue	Assurance
	<p>work undertaken over the period, with particular focus on the work delivered by Internal Audit.</p> <ul style="list-style-type: none"> <li>• The Corporate Fraud Risk Assessment (as part of the Annual Fraud Report) reported the assessed likelihood and potential impact that different types of fraud would have on the Council.</li> <li>• The Fighting Fraud and Corruption Locally (FFCL) Self-Assessment (as part of the Annual Fraud Report) reported compliance/conformance against each point within CIPFA's FFCL document which sets out the strategic approach local authorities should take and the main areas of focus in response to fraud and corruption risk. The report noted that 29 of the 36 activities had been met and work was being developed in relation to the remaining seven.</li> <li>• Progress towards the implementation of recommendations, made due to failures of internal control, identified from investigation work was reported to Audit Committee quarterly as part of the Outstanding Audit Recommendations report. This is in line with standard practice for other Internal Audit work.</li> <li>• Information from the Deputy Chief Executive and City Treasurer and the Chair of the Audit Committee to the External Auditor in respect of the Council's financial accounting arrangements, risks of fraud, and compliance with laws and regulations (February 2024)</li> </ul>	