

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

A. Children and Education Services

Source	Assurance, Risk or Issue	Assurance
Audit	A follow-up of foster care payments confirmed that of 6 significant or higher risk recommendations, one has been fully implemented, one is considered partially implemented and one as not yet implemented. A full, formal follow up audit will be undertaken when three remaining recommendations become due for implementation at the end of July 2024.	Partially Implemented
	A draft report was issued for our audit of Education Health and Care Plans (EHCPs). This provided a reasonable opinion over the effectiveness of systems for delivering EHC assessments and plans in line with the Code. Specific areas for improvement were to ensure all documentation is recorded on the system (Liquid Logic), respond to issues with the 20-week statutory deadline not being met, and strengthen the governance and composition of EHCP panels. The service had undergone a service redesign and from discussions with authority and partner staff this was a positive change which further clarified roles and responsibilities across the teams. The Code informs how the service operates and the statutory timelines and requirements and this was reflected in detailed procedures in place to support the delivery of the service.	Reasonable
	Funder-required certification activity has been completed in respect of several grants awarded by the Department for Education: Family Hubs & Start for Life – annual certification of £1.66million of spend in 2023/24. Interim and annual certifications will be required in respect of future grant spend in 2024/25. Child and Family Social Worker Apprenticeship Programme – certification of £23k of spend in 2023/24. Further annual certification will be required for spend of up to £409k in 2024/25. Strengthening Multi-Agency Leadership for Reform - £47k one off grant which was fully spent in 2023/24. In all cases, no material issues were identified and we were able to provide the certification in line with expected timescales.	Reasonable
Other Assurance	Children and Young Peoples Scrutiny Committee, Ofsted Subgroup received a report on Ofsted Inspections of Daycare Providers at its meeting on 24 March 2024. The Subgroup received a list of all Manchester daycare providers which had been inspected since the last meeting and the judgements awarded. The Early Years Quality Assurance Lead provided Members with an overview of the	

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	<p>inspections which had taken place since the last meeting. She informed the Subgroup that 95.5% of settings in Manchester were judged to be good or outstanding.</p>	
	<p>Childrens and Young Peoples Scrutiny Committee meeting on 6 March 2024 received the SEND annual report. This outlined how Manchester has been appointed by the Department for Education as lead area for the NW Change Programme Partnership to test the reforms outlined in the SEND and Alternative Provision Improvement Plan 2023. The report provided an overview of the proposed reforms and how Manchester is working with parents/carers, young people and partners across education, health and care to test the reforms. It also shared the Local Area Inclusion Plan, which is one of the reforms Manchester is being asked to test. This document outlines the continued work to improve the experiences and outcomes of children and young people with special educational needs and/or disability and their families and the local offer available to support them to achieve their outcomes.</p>	
	<p>A report to Executive on 5 June 2024 summarised current concerns around post 16 education provision sufficiency. The report outlined the statutory duty to secure provision for young people post 16, however, there is no mechanism or funding to Local Authorities to enable them to respond directly when there is a gap in provision. Where evidenced gaps cannot be filled through negotiation with existing providers, the only route available for Local Authorities is to declare a gap in provision to the DFE.</p> <p>The report outlined how the cohort of young people post 16 is continuing to increase year on year and is causing significant pressure on places across the post 16 sector. This may prevent the Council from meeting its duty unless mitigating action is taken and from September 2024 will adversely impact on the numbers of young people not in education, employment or training (NEET).</p> <p>The report outlined making a case to the DFE to evidence the projected gap in provision in the City and outlined plans to submit a costed plan including required capital investment and revenue funding which will meet the identified gaps and future demand for post 16 places across the City.</p>	
	<p>A report to Executive on 5 June 2024 outlined changes to the Corporate Parenting Strategy. This described a move from a traditional Corporate Parenting Committee to a more radical child led Corporate Family Cooperative, named as such by Our Children and Care leavers to reflect their expectations and desires. The strategy encompasses this approach, namely that the voices, needs, priorities and rights of children are an integral part of our public policies, programmes and decisions.</p>	

B. Schools

Source	Assurance, Risk or Issue	Assurance
Audit	A Financial Health Check of the Manchester Bridgelea Primary Pupil Referral Unit provided limited assurance over the adequacy, application and effectiveness of financial control systems. The limited assurance was a reflection of using an out of date purchase card and the need to improve compliance with some key purchasing controls. The report recognised that had been key staff changes and absences that impacted compliance but that the current management team were clear on improvements required to reduce the exposure to risk.	Limited
	A Financial Health Check of the Manchester Secondary Pupil Referral Unit provided reasonable assurance. Arrangements were strong overall and testing showed good compliance in a number of areas including the timely completion and oversight of key reconciliations, timely and detailed budget monitoring information being provided to Governors and evidence of best value being sought for higher value purchases. The only matter preventing a substantial opinion related to the lack of effective control over purchase cards and we agreed actions with the Headteacher to address this.	Reasonable
	A Financial Health Check of Benchill Primary School provided limited assurance. We were unable to provide higher assurance mainly due to the need to strengthen control over expenditure and purchases. Specific areas for improvement include obtaining quotations and tenders for higher value purchases and demonstrating value for money, ensuring appropriate advance approval of expenditure and building appropriate separation of duties into purchasing transactions.	Limited
	A draft Financial Health Check of Rodney House school provided limited assurance. The report recognised that the School did not have a Business Manager in place for half of the year and that the Finance officer also left in the summer of 2023 and that these gaps led to issues identified. The current School Business Manager has been in post from August 2023, and a Finance Officer has also been recruited so we are confident that improvements will now be made to reduce the exposure to risk.	Reasonable
	A draft Financial Health Check of St Peters High School provided reasonable assurance. Despite a School Business Manager not being in post for much of the year it was a credit to the existing staff at the School that they coped so well with this challenge. We confirmed good separation of duties around purchasing, payroll monitoring was thorough and there were strong controls around personnel, with pre-employment checks and record keeping. Budget monitoring and reporting was also regular and up to	Reasonable

Source	Assurance, Risk or Issue	Assurance
	<p>date with the areas for improvement largely around aspects of banking and reconciliation.</p> <p>We completed the annual School Financial Value Standard exercise and provided a position statement report to the City Treasurer to support the return to DfE for 2023/24. We received SFVS submissions from all 104 Schools who were required to complete a return and all but one were fully complete. One School declared a related party transaction (RPT) but no did not provide supporting details including the value or the nature of the relationship which we are following up.</p> <p>Related party transactions continue to be managed but remains an area of focus, given the numerous examples reported of related party transactions involving staff family members. This is the reason we are reluctant to give a higher level of assurance as we continue to liaise with individual Schools over controls around these RPTs.</p>	Reasonable
Other Assurance	<p>In the Childrens and Young Peoples Scrutiny Committees Ofsted Sub Group meeting on 28 February 2024 a report was presented relating to Ofsted Inspections of Manchester Schools. The report highlighted that Grange School had been judged to be inadequate a few years ago but was now judged to be outstanding. It reported that, overall, 87.8% of Manchester schools were judged to be good or outstanding and that this applied to 88.9% of primary schools and 82.8% of secondary schools.</p> <p>On-line counter fraud training was rolled out to maintained schools within Manchester during late 2023/24. To date 99 staff from 55 schools have completed the module. A further 29 staff have started the training. This helps improve fraud awareness and prevention to officers with financial responsibilities.</p>	

C. Adults and Public Health

Source	Assurance, Risk or Issue	Assurance
Audit	<p>There remain four recommendations classified as not fully implemented for Adults Services audits relating to the Adults Care Payments audit, Contract Governance audit and Direct Payments audit. Details of these are provided in the audit recommendations update report for Audit Committee.</p>	Partially complete

	A follow-up audit on the Adaptations Delivery Model confirmed that three of the seven recommendations had been fully implemented. The remaining four were 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 are overseen by the Working Group responsible for the transition.	Partially complete
Other Assurance	Health Scrutiny Committee on 22 May 2024 received confirmation of a recent inspection by the CQC of the Central Reablement Team and the awarding of an “Outstanding” rating.	

D. Corporate Services and Chief Executive’s

Source	Assurance, Risk or Issue	Assurance
Audit	We completed certification activity in respect of the Net Zero Pathfinder Grant, awarded by Innovate UK. Grant funded spend in 2023/24 was £21k, with the balance of £126k to be spent by June 2025. We did not identify any material issues as a result of our work, and completed the required Independent Accountants’ Report in line with expected timescales.	Reasonable
	We reviewed the Council’s arrangements for collation of timely and accurate information to be presented in the Public Service Network (PSN) return to the Cabinet Office. We were able to confirm that arrangements were in place to produce an accurate submission that represented a fair view of the Council’s position regards PSN compliance. The Cabinet Office were satisfied with the information provided and that the Council was approved to continue its connection to the PSN.	Substantial
	With regard to recommendation implementation, the recommendation from our audit of Privacy Notices, in relation to the provision of easy read privacy information for specific audiences, has now been fully implemented. The easy read information is available on the Council’s website . We have also confirmed completion of one recommendation in relation to the Contracts Risk Management audit and a recommendation from our audit of Council Tax Discounts & Exemptions. All critical or significant priority recommendations from our audit of imprest accounts have now become due. We have begun a formal follow-up review in this area that will provide an appraisal of improvements made since the conclusion of our audit.	Reasonable

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Other Assurance	Our contract with a firm that review potential duplicate payments, credits and VAT coding errors has now concluded. An evaluation report will be issued shortly. The final amount recovered, net of fees paid, is approximately £454k.	
	Personnel Committee has received a number of reports. In February the draft Pay Policy Statement was presented, as was a report on the use of Market Rate Supplements . In June, a series of papers were presented as part of the continuing review and refresh of Workforce policies . A new policy was also presented in relation to sponsorship of employees to support visa applications. A number of updates were also presented to in June in respect of recruitment to senior level posts and interim arrangements.	
	The Resources & Governance Scrutiny Committee received a paper in May in relation to Connections with the GMCA – this included information in relation to historical context, ongoing partnership working, and governance arrangements at city region level.	
	A short written update on Round 5 of the Household Support Fund was presented to the Executive in June, as part of a regular update on delivery of the Our Manchester objectives . It was confirmed that the Council would receive £6.45m of funding, with approximately £3m of this being earmarked for provision of free school meals support during the half term and summer holidays.	
	The Executive considered a report in June around the reframing and setting of organisational Corporate Priorities as part of the Corporate Plan. This included confirmation of seven key priorities.	
	The June meeting of the Council’s Executive included consideration of the Revenue Outturn and Capital Outturn for 2023/24. The revenue budget was subject to an overall overspend of £5.3m, which was attributed to front line services – corporate budgets were underspent. Two of the contributing factors cited were the costs of long term Adult Social Care and care provided to Looked After Children, sometimes outside the city. The capital budget was underspent, with a spend of £353.3million against a budget of £510.5million. Much of this was attributed to timing differences which would be subject to re-profiling. The reducing (but still high) impact of inflation was considered as part of this report.	

E. Growth and Development

Source	Assurance, Risk or Issue	Assurance
Audit	We completed work during the quarter providing assurance over controls to ensure the effective management of viability assessments within planning applications and have issued a draft report. We are awaiting management responses to recommendations ahead of finalising the report.	Reasonable
	Unauthorised Building Work: Follow Up Review - We issued our follow up report which confirmed the partial implementation of two recommendations. Whilst we confirmed progress, there is still work to be done to reduce exposure to risk in this area and in particular to develop systems and procedures to be able to manage performance workflow in a critical service is subject to high levels of demand and scrutiny.	Partially Implemented
	There are three outstanding audit recommendations in relation to Avro Hollows Tenants Management Organisation which are over 18 months overdue. An Independent Review has been completed and issued to the TMO Board. This has resulted in an action plan for improvement and whilst progress has been made and the TMO is committing action there is still much to do. The issues raised in the audit are incorporated in this plan for completion in the next 3-9 months and until complete these risks and the wider governance and management of the TMO will remain an area of concern.	Outstanding
Other Assurance	The Economy and Regeneration Scrutiny Committee received the Economic Update for Quarter 1 2024/25 this provided the economic headlines for May 2024. Key points and themes within the report included: The background to and purpose of the Economy Dashboard and the current metrics within the Dashboard and how these related to the priority areas within the new Economic Strategy.	
	We confirmed the Council submitted the acceptance of grant conditions, in advance of the deadline, for the Biodiversity Net Gain (BNG) Grant for the period 1 April 2024 to 31 March 2025. As such, the Council will be able to access funding to assist with delivery of BNG implementation work carried out in 2024/25. The grant will be paid in arrears upon receipt of evidence of work completed.	
	The Assistant Director, Assurance and Risk continues to attend the Development Agreement Task and Finish group where work is being finalised to strengthen the Council's overall approach to both historical and new development agreements and regeneration transactions. A report setting out the new approach is to be prewntred to Commercial Board in July.	
	At the June Executive meeting Members received a report and their approval was requested for the disposal of the former Spire Hospital site: Disposal Report . Members assessed the proposal where the redevelopment proposes to deliver c.79 social rent homes as part of the UK's first LGBTQ+ majority	

	Extra Care scheme alongside c.41 new Shared Ownership apartments. This demonstrates the commitment and contribution to key Council priorities and to supporting a diverse and distinctive economy.	
	The Environment, Climate Change and Neighbourhoods Scrutiny Committee received an update on the work programme for the final year of the Council's current MCC Climate Change Action Plan. This also considered plans for the development of the next action plan for the period 2025-30: Climate Change Action Plan Work Programme . Regular updates on delivery of the CCAP are provided via published Quarterly Progress Reports and Annual Reports which are available on the Council's website. This provides assurance over the transparent and regular reporting of progress with one of the Council's key priorities.	

F. Neighbourhood Services

Source	Assurance, Risk or Issue	Assurance
Audit	Reasonable assurance was provided over the effectiveness of the Housing Services complaints management process. There were clear, defined and accessible processes in for the handling of complaints. We noted a recent focus on in-depth learning from complaints and the development of a new performance dashboard. We identified a number of areas where the process was not fully aligned with the existing Housing Ombudsman's Code of Practice (2022), where improvements were needed in line with the recently published 2024 Complaint Handling Code (which became statutory from 1 April 2024), and where procedures were not always complied with for the sample of complaints tested. Clarity over the compensation process was also identified as an area requiring some improvement.	Reasonable
	A draft report provided limited assurance over the arrangements in place to ensure the effective management of Council off-street car parks. This review considered the governance arrangements including roles and responsibilities, the approach to asset management and maintenance and the information and intelligence used to support the management of sites and decision making. We are awaiting management responses to recommendations ahead of finalising the report and will report further detail on the findings in Quarter 2.	Limited
	There is one recommendation from the Review of Fire Risk Assessment Processes audit which remains outstanding in part. Further work is needed to roll out the No Access/Refusals Policy and determine the resource requirements needed. We receive regular updates from the service which is positive and will continue to engage with them to seek progress updates. There are two recommendations from the Homelessness: Contract Management and Commissioning audit that	Partially complete

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	are partially implemented with a further recommendation falling due at the end of July 2024. Whilst we confirmed some positive progress has been made, further work is needed to reduce the exposure to risk.	
Other Assurance	The Housing Improvement Board meets monthly and Internal Audit continue to attend and provide updates of audit activity and key issues to note. Positive progress has been made regarding ICT migration, recruitment and harmonisation of the workforce. The Board continues to receive key performance data relating to the service including fire risk management, damp and mould, gas servicing, voids and repairs.	
	The Communities and Equalities Scrutiny Committee recently received a report on the probation reset detailed in the Written Ministerial Statement to Parliament in April 2024. This report, Support for People Leaving Prison was requested as a follow up to the Community Safety Update report to Communities and Equalities Scrutiny in November 2023 and provided additional information including an overview of the accommodation and support provided for people on probation on release from prison and the links with the homeless service.	
	An Update Report regarding progress made with the recommendations arising from the Anti Social Behaviour(ASB) Task and Finish group was presented to the Communities and Equalities Scrutiny Committee. The recommendations were developed into a programme of work for Community Safety Partners to improve the Council's response to ASB throughout the city. The update provided assurance over the focus and progress with addressing the recommendations including; working with the Manchester Housing Providers Partnership to coordinate the approach to ASB; work to engage residents to help draft meaningful communications for the public; and exploration of youth participation opportunities to contribute to the Child Friendly Cities Programme.	

G. Counter Fraud and Irregularity

Corporate Cases

Internal Audit received 12 referrals of potential fraud or irregularity during the period April to June 2024. Of these 2 were considered whistleblowing allegations and have been handled under the Council's Whistleblowing Policy and Procedures. A summary of the types of allegations, including the 12 cases brought forward from the previous quarter are provided in the tables below. There are no systemic issues or concerns that we consider indicate a breakdown in systems of control in these areas.

No	Type	Focus of Allegation(s)
1	Contracting and Procurement - Contractor Conduct and Behaviour (b/f)	Inflated Invoicing
2	Third Party Grants (b/f)	Misappropriation of Funds
3	Contracting and Procurement – Contractor Conduct and Behaviour (b/f)	Inflated Invoicing
4	Contracting and Procurement – Contractor Conduct and Behaviour (b/f)	Professional Conduct
5	Corporate Employee - Conduct and Behaviour (b/f)	Decision Making
6	School - Corporate Employee (b/f)	Theft
7	Corporate Employee – Conduct and Behaviour (b/f)	Decision Making
8	Contracting and Procurement – Contractor Conduct and Behaviour (b/f)	Professional Conduct
9	Corporate Claims – Blue Badge (b/f)	Fraudulent Misuse
10	Corporate Employee – Non-Compliance With Legislation (b/f)	Decision Making
11	Corporate Claims – False or Inflated Claims for Payment (b/f)	Inflated Invoicing
12	Contracting and Procurement – Contractor Conduct and Behaviour (b/f)	Professional Conduct
13	Contracting and Performance - Contractor Conduct and Behaviour	Professional Conduct
14	Corporate Claims – Fraudulent Identification	Theft
15	Corporate Claims – Misuse of Direct Payment	Safeguarding / Misappropriation
16	Corporate Claims – Misuse of Blue Badge	Misappropriation
17	School – Misdirected Payment	Theft
18	Corporate Employee – Conduct and Behaviour	Theft
19	Corporate Employee – Conduct and Behaviour	Safeguarding / Theft
20	Contracting and Procurement – Contractor Conduct and Behaviour	Professional Misconduct
21	Corporate Employee – Conduct and Behaviour	Abuse of Position
22	Payment Misdirection – Exchequer Services	Misappropriation of Funds
23	Schools – Corporate Employee Conduct and Behaviour	Professional Misconduct
24	Schools – Fraudulent Payment Card Transactions	Theft

Other Cases Reactive

Type	Cased B/F	Received Q1 2024/25	Closed Q1 2024/25	Total C/F	Assurance Assessment
Business Rates	4	0	0	4	These relate to the concerns over eligibility to claim Small Business Rate Relief.
Business Grants – Covid19 with MCC	25	0	7	18	Investigation work is ongoing in relation to these cases by the Counter Fraud Team
Business Grants – Covid19 with NATIS	13	0	0	13	With NATIS as per Central Government guidance
Business Grants – Covid 19 to be referred to BEIS	10	0	0	10	Investigation work completed. Cases to be written back to BEIS in line with Central Government guidelines
Council Tax Reduction Scheme	177	12	12	177	These relate to fraudulent declarations regarding household composition/financial circumstances or the failure to declare changes in circumstances affecting eligibility for relief.
Housing Tenancy Fraud	77	12	8	81	Allegations regarding illegal subletting of social housing.
Total	306	24	27	303	