

Appendix Two: Executive Summaries of Audit Reports

The following Executive Summaries have been issued for the audit opinion reviews finalised between 16 March and 14 June 2024 and as requested by Audit Committee are attached below for information.

Ref	Audit Title
A	Adult Social Care Follow Up Audit: Contract Governance
B	Housing Services: Complaints Management
C	Follow Up Audit: Unauthorised Building Work
D	Manchester Bridgelea Primary Pupil Referral Unit
E	Manchester Secondary Pupil Referral Unit
F	Benchill Primary School
G	Adult Social Care Adaptations Review Follow Up

Where grant certification work is undertaken and certification criteria are met, it is standard practice to issue a shorter report without an executive summary. This was the case for our certification activity in respect of the following grants:

- Family Hubs and Start for Life Programme
- Child and Family Social Worker Apprenticeship Programme
- Strengthening Multi-Agency Leadership for Reform: Supporting the Implementation of Working Together and the Children's Social Care National Framework
- Net Zero Pathfinder – Phase 2
- School Financial Value Standard

Executive Summary A

Internal Audit Report 2023/24 Adult Social Care Follow Up Audit: Contract Governance

Distribution - This report is confidential for the following recipients	
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Name	Title
James Probert	Head of Contracts, Responsible Officer
Zoe Robertson	Assistant Director (Commissioning)
Bernadette Enright	Executive Director Adult Social Services, Accountable Officer
The final report will also be issued to the following recipients	
Councillor Robinson	Executive Member
Joanne Roney	Chief Executive
Tom Wilkinson	City Treasurer
Fiona Ledden	City Solicitor
Amelia Salford	External Audit (Mazars)

Report Authors		
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Audit & Assurance Manager	Clare Roper	07940 410849
Assistant Director (Assurance and Risk)	Tom Powell	07956 317457

Draft Report Issued	21 March 2024
Final Report Issued	17 April 2024

Audit Objective	Overall Implementation Status
To provide assurance over the implementation of audit recommendations agreed in response to the audit of Adult Social Care: Contract Governance issued November 2022.	Partially Implemented

1. Audit Summary

- 1.1 In October 2022 Internal Audit undertook a review of arrangements within Adult Social Care to provide assurance over the framework in place for contract governance.
- 1.2 Based on the work undertaken we provided a limited assurance opinion and made the following number of recommendations for improvement with agreed target dates for implementation between June 2023 and September 2023.

Priority	Accepted	Rejected
Critical		
Significant	2	
Moderate	1	
Minor		

- 1.3 In order to provide assurance to the Executive Director Adult Social Services, SMT and Audit Committee we undertook a follow up audit to confirm whether the exposure to risk had reduced.
- 1.4 This was not a full re-review of the operation of the governance framework but rather an assessment of progress made with the implementation of the agreed audit recommendations.

2. Conclusion and Opinion

- 2.1 Our review of progress against these recommendations shows that one significant recommendation is considered to be implemented due to the changes made to the Contracts Team providing additional capacity to strengthen the work and impact of the team. In terms of the remaining significant priority recommendation, whilst we acknowledge the development work undertaken to address gaps identified during the audit, given these improvements are not fully operational or embedded we consider some exposure to risk in this area remains.
- 2.2 The original recommendations and current confirmed status are attached at appendix 1.
- 2.3 The explanation of recommendation prioritisation and follow up assurance is attached at appendix 2.
- 2.4 Based on the work completed and assurance obtained we will include the reported status of these actions in our quarterly update reports to SMT and Audit Committee.



Executive Summary B

Internal Audit Report 2023/24 Housing Services Complaints Management

Distribution - This report is confidential for the following recipients	
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Name	Title
Neil Fairlamb	Strategic Director Neighbourhoods, Accountable Officer
Graeme Hall	Assistant Director of Housing Services, Responsible Officer
Jennifer Boswell	Strategic Lead for Resident Experience (Housing Services)
Emma Quayle	Customer Experience Manager (Housing Services)
Councillor White	Executive Member
Joanne Roney	Chief Executive
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Draft Report Issued	17 April 2024
Final Report Issued	15 May 2024



Executive Summary

Audit Objective	Assurance Opinion	Business Impact
To provide assurance over the effectiveness of the Housing Services complaints management process	Reasonable	High

Sub objectives that contribute to overall opinion	Assurance
There is a defined process for responding to complaints, in line with the Housing Ombudsman’s complaint handling Code	Reasonable
Complaints from residents are dealt with in line with the process outlined	Reasonable
Complaints data is used to inform learning and decision making and drive service improvements	Reasonable

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
The areas of non-compliance and areas for improvement identified from the self-assessment should be remedied / added into the process.	Significant	6 months	30/9/2024
The service should develop a framework to facilitate wider learning from complaints and drive service improvement.	Significant	6 months	30/9/2024
A self-assessment in line with the new Housing Ombudsman Complaint Handling Code should be completed.	Significant	6 months	30/9/2024
The customer experience team shall ensure dates and details of complaints are always recorded on QL and individuals are notified of any delays in responding to their complaint.	Significant	6 months	30/9/2024
The service should further develop and finalise the Compensation Policy.	Significant	6 months	30/9/2024

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk

People	Procurement	Statutory Duty
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1. Audit Summary

- 1.1 An effective complaints process enables landlords to respond to complaints in a timely manner, learn from the issues that arise and take steps to improve the services they provide. Complaints are governed by the Housing Ombudsman's Complaint Handling Code, which sets out requirements that enable effective and fair responses to complaints. Landlords are asked to self-assess against the Code annually on a 'comply or explain' basis and publish this on their website. If complaints are not dealt with in line with the Code, they may not be resolved quickly or drive service improvements, and vital intelligence on performance, culture, and reputation may be missed.
- 1.2 There is a new target operating model under consultation for the Housing Services customer experience team which will enable the team to centrally respond to all complaints and should further strengthen the complaints management process. There is also already performance and improvement work already underway within Housing Services, with the addition of three new Strategic Leads and service development plans in place.
- 1.3 We agreed with management to review the complaints management arrangements to provide independent assurance. Given the reputational risks associated with an ineffective complaints management process we consider this area to have a high business impact.

2. Conclusion and Opinion

- 2.1 Overall we can give **reasonable** assurance over the effectiveness of the Housing Services complaints management process.
- 2.2 There were a significant number of positive findings and good practice within the process, which is reflective of the commitment and proactive approach to making improvements by the new management team and customer experience team. These included clear, defined and accessible processes in place for the handling of complaints in line with the Housing Ombudsman's Code of Practice, a recent focus on in depth learning from complaints and a new performance dashboard.
- 2.3 We were unable to give substantial assurance at this time as 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 will be required in line with the recently published 2024 Complaint Handling Code (which became statutory from 1 April 2024), and areas from our detailed testing where procedures were not always complied with. We also considered that whilst there had been a recent focus in the use of complaints data to inform learning and decision making and drive service improvements, there

was still significant work to be done in this area and that clarity around the compensation process could be improved.

- 2.4 We have made five significant and three moderate recommendations to enhance levels of control and ensure that the potential risks are mitigated.

3. Summary of Findings

Key Areas of Strength and Positive Compliance

- 3.1 The service had a defined process for responding to complaints, which was in line with the Housing Ombudsman's Code of Practice. This was published on the Housing Services website and regularly reviewed to ensure it remained fit for purpose. There were appropriate timescales for responding to complaints and standard templates were in use to ensure consistency. Appropriate consideration had been given to ensure the complaints process was accessible to all residents.
- 3.2 There was a small customer experience team assigned responsibility for complaint handling and ensuring complaints receive the necessary attention. Officers were clear on roles and responsibilities. There was a new target operating model under consultation at the time of our fieldwork and we support the planned proposal for the team to centrally respond to all complaints. We consider this will facilitate more comprehensive and consistent responses to complaints in line with the Ombudsman Code and enhance organisational learning.
- 3.3 We considered that the self-assessment completed by the service was a largely accurate assessment of compliance with the Ombudsman requirements. Overall we agreed in full or in part with 67 of the 72 self-assessments (93%). These are split into mandatory and recommended requirements, and we agreed in full or in part with 38 of the 39 mandatory requirements (97%).
- 3.4 Our sample testing of complaints identified good practice, including:
- 100% of the response letters identified and responded to each aspect of the complaint.
 - 100% of stage two cases were: logged within 5 days of receipt and allocated to a senior manager (a different manager than at stage 1).
 - 100% of stage two responses confirmed the complaint stage, outlined the decision, reason, remedy, relevant outstanding actions and signposted the customer to the Ombudsman.
- 3.5 There had been recent development work to ensure that complaints data was used to inform learning and decision making and drive service improvements. Reporting on Housing complaints was included in the new performance dashboard which reports directly from QL (the housing management system used to record complaints). Complaints data was discussed by the Housing

Services Senior Leadership Team (SLT) weekly and reported to various boards and groups including the Housing Services Improvement Board (HSIB), Housing Advisory Board (HAB) and three newly established 'Your Voice' resident scrutiny groups. Complaints data was also fed through to the corporate Complaints and Performance Research and Intelligence (PRI) teams and formed part of the annual Complaints Report presented to Audit Committee.

- 3.6 The HAB, chaired by the Executive Member and supported by the SLT met approximately every six weeks and complaints was confirmed as a standing agenda item since September 2023. A previous update on complaints, learning and performance included details of the performance dashboard and outlined actions required. The complaints data will be used to inform the customer service delivery plans/ improvement plans which the new 'Your Voice' resident groups feed into. Both the customer experience team and the 'Your Voice' resident groups will conduct in depth reviews of complaints and learning from recent cases to inform a series of recommendations for improvement. Management were also using the whole staff 'place called home' briefings every two months to include information about complaints and areas for improvement.

Key Areas for Development

- 3.7 The annual self-assessment was last published in August 2022, meaning this was seven months overdue and non-compliant with the Ombudsman Code. We were told this was due to staff awaiting publication of the new Code. Audit testing included validation of the assertions made in the self-assessment and there were five elements where we did not agree with the service's assessment. These were as follows:
- The annual assessment had not been published annually and was out of date.
 - Satisfaction survey respondents had not been notified of the complaint procedure.
 - There was no documented procedure for how to respond to complaints received via social media.
 - No feedback had been sought from residents on complaint handling.
 - No member of the 'governing body' equivalent had been appointed lead responsibility for complaints.
- 3.8 At the time of our fieldwork the Housing Ombudsman published a new Complaint Handling Code which became statutory from 1 April 2024. We identified several new areas added to the Code where improvements or changes will be required, including the production of an annual complaints performance and service report, and appointment of a suitably senior executive to oversee complaints handling performance.

- 3.9 Our sample testing of 18 complaints highlighted several areas where improvements could be made (full details can be found in the Action Plan in Appendix 1), for example:
- The date a complaint was received was not detailed on QL for 22% of cases tested and the date on QL did not match with the date included on attached correspondence for 17% of cases tested. As a result it was not possible to ascertain whether complaints had been acknowledged within the required timeframe. This also impacts data reporting.
 - No details of the nature of the complaint received were seen on QL in 22% of cases sampled.
 - 33% of complaints tested were not responded to within 10 working days of being logged and the individual was not always notified of this delay, as required by the Code. We note that the majority were within a few days of the target date.
- 3.10 The approach to drive service improvements and a positive complaint handling culture as outlined above was in its infancy and was not being formally managed and monitored. It was acknowledged by management that the learning from complaints needs to be strengthened throughout the service. This will need to include improvements to the quality and completeness of data captured and the way the data is analysed to facilitate planned improvements.
- 3.11 Consistent use and application of the compensation budget requires strengthening. Greater clarity is needed over the agreed approach as we noted Officers were using different and outdated guidelines / procedures. Compensation awards had historically been decided by the manager responding to the complaint, however it was not always documented in the case files how the amount had been reached and how this complied with guidance. A new Compensation Policy was in draft at the time of our fieldwork which appeared to address some of the key risks, although it did not cover a number of areas outlined in the Housing Ombudsman's compensation policy guidance, gave no proposed 'monetary guidelines', was unclear over the level of approving officers and made no reference to ensuring that the reasons for offering compensation and calculations were documented.
- 3.12 Whilst the Tenant Management Organisations (TMOs) were responsible for their own complaints management (as outlined in the management agreements), the liability lies with the Council as landlord and the Council is responsible for ensuring that all complaints are handled in line with the Code. Whilst work was being undertaken to review these areas, Housing Services did not have sufficient assurance that the TMOs were complying with the Ombudsman Code and that the approach and procedures were consistent with those of the Council. More collaborative working is required to ensure that all complaints are being handled in a consistent manner across the different organisations.

Executive Summary C

Internal Audit Report 2023/24 Growth and Development: Building Control Follow Up Audit: Unauthorised Building Work

Distribution - This report is confidential for the following recipients	
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Name	Title
Julie Roscoe	Director of Planning, Building Control and Licensing, Responsible Officer
Mark Dickens	Assistant Director Planning & Building Control
Adam Neil	Development Compliance Manager
Rebecca Heron	Strategic Director Growth & Development, Accountable Officer
Councillor White	Executive Member
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Draft Report Issued	19 April 2024
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Final Report Issued	14 May 2024
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Audit Objective	Overall Implementation Status
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To provide assurance over the implementation of audit recommendations agreed in response to the audit of Unauthorised Building Work issued June 2023.	Partially Implemented
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1. Audit Summary

- 1.1 In 2022/23 Internal Audit undertook an audit of Building Control to provide assurance over the approach to unauthorised building work.
- 1.2 Based on the work undertaken we provided a limited assurance opinion and made three recommendations for improvement with agreed target dates for implementation between November 2023 and May 2024.

Priority	Accepted	Rejected
Critical	0	0
Significant	2	0
Moderate	1	0
Minor	0	0

- 1.3 To provide assurance to the Accountable Officer, Strategic Director of Growth & Development, SMT and Audit Committee we undertook a follow up audit to assess progress and to confirm whether the exposure to risk had reduced.
- 1.4 This was not a full re-review of the operation of the approach to unauthorised building work but rather an assessment of progress made with the implementation of the agreed audit recommendations.

2. Conclusion and Opinion

- 2.1 Our review confirms that the two significant recommendations are now partially implemented. The moderate recommendation has not reached the target date for implementation, and we confirmed this is not implemented.
- 2.2 We recognise that Building Control in Manchester as with many authorities is under increased pressure and has additional duties brought about by the Building Safety Act and this has been a factor impacting progress.
- 2.3 Nonetheless and whilst progress has been made the agreed actions are not complete and there remains exposure to risk around compliance and assurance over actions to address unauthorised building work. These could lead to an increased risk of unsafe developments and consequent reputational, financial and regulatory impacts for the Council. We will continue to engage with the service to gain further updates on progress.
- 2.4 The original recommendations and current confirmed status are attached at Appendix 1.
- 2.5 The explanation of recommendation prioritisation and level of follow up assurance is attached at Appendix 2.
- 2.6 Based on the work completed and assurance obtained we will include the reported status of these actions in our quarterly update reports to SMT and Audit Committee.



Executive Summary D

Draft Internal Audit Report 2023/24
Children's and Education Services
School Financial Health Check: Bridgelea Primary PRU

Distribution - This report is confidential for the following recipients		
Name	Title	
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Mike Cooke	Chair of Governors	
Diane Hallworth	School Business Manager	
Councillor Bridges	Executive Member for Children and Schools	
Joanne Roney	Chief Executive	
Tom Wilkinson	City Treasurer	
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Paul Marshall	Strategic Director, Children's and Education Services	
Amanda Corcoran	Director of Education & Skills	
Vandhna Kohli	Directorate Finance Lead, Children's Finance	
Andrea Daubney	Strategic Head of Schools QA and SEND	
Amelia Salford	External Audit (Mazars)	
Report Authors		
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Lead Auditor	Emma Maddocks	234 5269
Head of Audit and Risk Management	Tom Powell	234 5273
Draft Report Issued	28 February 2024	
Final Report Issued	2 April 2024	



Executive Summary

Audit Objective	Assurance Opinion	Business Impact
To provide assurance to the Local Authority and Governing Body over the adequacy, application and effectiveness of financial control systems operating at your school.	Limited	Medium

Sub objectives that contribute to overall opinion	Assurance
Allocation of financial roles and responsibilities	Reasonable
Long term financial planning, budget approval and monitoring	Reasonable
Key financial reconciliations	Reasonable
Expenditure, specifically purchasing and payroll	Limited
Income collection and recording	Substantial

Summary of Key Actions	Risk	Priority	Planned Action Date
Review and revise the Scheme of Financial Delegation and School Financial Procedures to ensure it fully reflects requirements of the School Financial Regulation in relation to purchasing thresholds and to ensure it has a separation of duties built into the allocation of roles and responsibilities for purchasing.	6 Months	Significant	30 June 2024
Completing the change to the new bank should be prioritised and the current purchase card in the name of the ex Headteacher should no longer be used.	3 months	Critical	1 March 2024
The impact on income and expenditure of the new school places allocated to the School should be modelled and an updated three-year budget scenario for 2023/24 and the following two years produced. These updated projections should be shared with the Local Authority	6 months	Significant	30 April 2024



and a recovery plan produced as necessary.			
The Headteacher should remind staff of the need for all purchases, including those using the Schools purchase card to be completed in line with the requirements of the School Financial Regulations and schools own Scheme of Financial Delegation and Financial Procedures.	6 months	Significant	31 May 2024

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.1. The 2023/24 Internal Audit plan included an allocation of time to complete financial health checks at a sample of Local Authority maintained schools. Bridgelea Primary PRU was selected as part of this programme of audits, due to elapsed time since the last audit review.

2. Conclusion and Opinion

- 2.1. Overall, we are able to provide **limited** assurance over the adequacy, application and effectiveness of financial control systems operating at the School. The limited assurance is a reflection of the purchase card in use being in the name of the ex Headteacher and the need to improve compliance with some of the key purchasing controls. We recognise that there have been key staff changes with a new Headteacher in September 2023 and acknowledge that the School Business Manager was absent for a period which the testing covered and this may have impacted some of the areas of non compliance. We are confident that the Management Team are clear on improvements required to reduce the exposure to risk.
- 2.2. The School also has some budget issues, returning an in-year budget deficit at the end of 2022/23 and forecasting an overall deficit for 2023/24 at the time of the audit. These have not been helped by staff absences and the need for the use of supply staff. The School have worked to reduce expenditure by negotiating reduced supply costs with preferred suppliers, reviewing contract hours for some support staff, and working on absence management procedures. The Local Authority have commissioned further temporary places from January 2024, the extra income from this commission should impact positively on the budget position. An action plan setting out our findings and recommendations is shown at Appendix 1.

3. Summary of Findings

Key Areas of Strength and Positive Compliance

- 3.1. There is an approved budget in place, with evidence of Governor (Management Committee) engagement in setting and approving the Budget, which had been submitted to the Local Authority in line with agreed timescales.
- 3.2. The School has had a visit from an SMRA, these are independent and accredited school resource management advisers provided by the Department for Education to support local authorities, schools, and academy trusts. They are trained to suggest alternative uses for the available resources to find more efficient ways to deliver the best possible educational outcomes for pupils. The SMRA has produced a report and recommendations, there has been engagement with and acceptance of recommendations from the SMRA, by the Headteacher and Management Committee.
- 3.3. All key reconciliations were in place and up to date.
- 3.4. There is regular budget performance reporting to both the Resources Committee and the Management Committee.
- 3.5. The School is largely cashless, with minimal cash collection or handling and therefore the risk of loss and misappropriation of money when handling cash and the associated administration has been reduced.

Key Areas for Development

- 3.6. We have made six recommendations (one critical, four significant and one moderate risk) to help improve governance, risk management and financial control at the School, specifically relating to the following issues:
 - The Scheme of Financial Delegation needs to be reviewed and revised to ensure it reflects the requirements of the School Financial Regulations in relation to quotes and tenders and to allocate responsibility for oversight of monthly payroll reconciliations to the Headteacher. Appropriate separation of duties also needs to be built into the allocation of key purchasing responsibilities.
 - The purchase card is in the name of the ex headteacher and is still being used operationally at the School while they transfer to a new bank provider.
 - The School has been reporting a projected budget deficit by the end of 2023/24; however, they need to produce an updated budget planning scenario to account for extra income and expenditure from the newly commissioned temporary extra places they are providing from January



2024. The updated budget projections should be communicated with the Local Authority and a recovery plan produced if required.

- All purchasing activity should be completed in line with the Schools Financial Regulations and the Schools own Scheme of Financial Delegation and Financial Procedures.
- Staff should be reminded of the need to ensure a purchase requisition is completed and approved in line with the Scheme of Financial Delegation in advance of any debit card purchases being made.



Executive Summary E

Final Internal Audit Report 2023/24 Children's and Education Services School Financial Health Check: Manchester Secondary PRU
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Distribution - This report is confidential for the following recipients	
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Name	Title
Colin Rigby	Headteacher
Vicky Rosin	Chair of Governors
Jenny Connor	School Business Manager

The final report will also be issued to the following recipients	
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Councillor Bridges	Executive Member for Children and Schools (Will received a quarterly update)
Joanne Roney	Chief Executive
Tom Wilkinson	City Treasurer
Fiona Ledden	City Solicitor
Paul Marshall	Deputy Chief Executive (Interim) and Strategic Director, Children's and Education Services
Amanda Corcoran	Director of Education & Skills
Vandhna Kohli	Directorate Finance Lead, Children's Finance
Andrea Daubney	Assistant Director of Education
Amelia Salford	External Audit (Mazars)

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Draft Report Issued	2 April 2024
Final Report Issued	1 May 2024



Executive Summary

Audit Objective	Assurance Opinion	Business Impact
To provide assurance to the Local Authority and Governing Body over the adequacy, application and effectiveness of financial control systems operating at your school.	Reasonable	Medium

Sub objectives that contribute to overall opinion	Assurance
Allocation of financial roles and responsibilities	Reasonable
Long term financial planning, budget approval and monitoring	Reasonable
Key financial reconciliations	Reasonable
Expenditure, specifically purchasing and payroll	Limited
Income collection and recording	Reasonable

Summary of Key Actions	Risk	Priority	Planned Action Date
Processes for use of the school purchase card should be strengthened to ensure approval by an authorised signatory in advance of expenditure being made and supporting documentation retained for each purchase. These processes should be documented in the Schools Financial Procedures. The purchase cards should also be treated as controlled stationery and retained in the School safe.	1 month	Critical	30/04/2024
Official school purchase orders should be raised on FMS and signed by an authorised signatory in advance of the purchase being made with the supplier.	3 months	Significant	30/04/2024

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.1. The 2023/24 Internal Audit plan included an allocation of time to complete financial health checks at a sample of Local Authority maintained schools. The Manchester Secondary PRU was selected as part of this programme of audits, due to elapsed time since the last audit review.
- 1.2. There has been a lot of change for the Secondary PRU in the past 12 months, both in structure and the basis of the budget being funded. Prior to January 2023 the School was part of a soft Federation with Bridgelea Primary PRU, City of Manchester Learning Partnership, this was dissolved in January 2023 and two separate management committees set up.

2. Conclusion and Opinion

- 2.1. We are able to provide **reasonable** assurance overall over the adequacy, application and effectiveness of financial control systems operating at the school. Controls 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.
- 2.2. We have provided limited assurance over expenditure controls due to the issues over use and retention of the Schools purchase card which we consider needs immediate action to address. School management have committed to take prompt action to address these concerns and are developing training for staff around use of the purchase card.
- 2.3. The basis of funding received by the School has changed in the past 12 months with funding now all coming via the Local Authority for permanent exclusion places. Previously the School invoiced other schools directly for temporary and permanent exclusion places. The number of places has also reduced. The School have returned an in-year deficit in 2022/23 and is forecasting one for 2023/24, surplus balances mean that they are not yet forecasting an overall deficit, but an overall deficit is forecast for the end of 2024/25. Management are currently working to analyse costs with a view to identifying future savings.
- 2.4. The work to analyse costs has been supported by a recent visit from an SMRA, who are independent and accredited school resource management advisers provided by the Department for Education to support local

authorities, schools, and academy trusts. SRMAs are independent advisers, who have experience of managing resources in the education sector. They are trained to suggest alternative uses for the available resources to find more efficient ways to deliver the best possible educational outcomes for pupils. The SMRA has produced a report and recommendations and at the time of the audit the School had arranged to meet with the Local Authority to discuss the findings.

- 2.5. More detail is provided on these issues plus further moderate risk recommendations in Appendix 1.

3. Summary of Findings

Key Areas of Strength and Positive Compliance

- 3.1. There is an up-to-date and comprehensive Scheme of Financial Delegation and Operational Financial Procedures manual.
- 3.2. There is regular reporting on budget monitoring to both the Resources Committee and the Governing Body, with the impact of budget changes shown on the projected outturn. The Annual Budget was taken to governors prior to approval, governors' questions were documented, and the budget was submitted to the Local Authority within the set deadline.
- 3.3. Both key reconciliations (bank and payroll) were up to date with checks evidenced and authorised by the Headteacher on a monthly basis.
- 3.4. Strong controls were in place for high volume purchases such as taxis and online learning. Systems were in place to check invoices, against pupil eligibility for taxis and attendance for online learning payments.
- 3.5. The School are operating on a cashless basis, therefore the risk of loss and misappropriation of money when handling cash and the associated administration has been reduced.
- 3.6. Payroll controls are strong. Payroll monitoring was thorough, up to date and authorised. For starters and leavers all relevant documentation was in place, including pre-employment checks, personnel records and notifications to payroll. The Single Central Record was up to date for the sample we tested.

Key Areas for Development

- 3.7. We have made one critical, one significant and two moderate risk recommendations to help improve financial control at the school. Both the critical risk and significant risk recommendations relate to controls over the Schools expenditure, and we consider both can be addressed promptly. Specifically relating to the following issues:



- Controls over use of the purchase card need to be improved. All purchases should be approved by a budget holder in advance of the purchase being made and supporting documentation such as receipts, invoices and delivery notes retained in support of each purchase. The cards should be retained in the safe and treated as controlled stationery with a log for usage rather than being held personally by cardholders.
- Official purchase orders should be raised and approved by an authorised signatory in advance of the purchase being made for all purchases.



Executive Summary F

Internal Audit Report 2023/24 Childrens and Education Benchill Primary School, Schools Financial Health Check
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Distribution - This report is confidential for the following recipients	
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Name	Title
Helen Eken	Head Teacher
Rachel Rosewell	Acting Chair of Governors
Lucy Mallinson	School Business Manager

The final report will also be issued to the following recipients	
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Tom Wilkinson	City Treasurer
Fiona Ledden	City Solicitor
Paul Marshall	Deputy Chief Executive
Sean McKendrick	Acting Strategic Director, Children's and Education Services
Amanda Corcoran	Director of Education & Skills
Vandhna Kohli	Directorate Finance Lead, Children's Finance
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Draft Report Issued	30 April 2024
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Final Report Issued	20 May 2024
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Executive Summary

Audit Objective	Assurance Opinion	Business Impact
To provide assurance to the Local Authority and Governing Body over the adequacy, application and effectiveness of financial control systems operating at your School.	Limited	Medium

Sub objectives that contribute to overall opinion	Assurance
Allocation of financial roles and responsibilities	Reasonable
Long term financial planning, budget approval and monitoring	Reasonable
Key financial reconciliations	Limited
Expenditure, specifically purchasing, payroll, supplier amendments and creation	Limited
Income collection and recording	Substantial

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
The Schools overall budget position should be reviewed as well as review of individual cost centres within it.	Significant	6 months	31 March 2024
Key reconciliations should be reviewed on a timely basis in line with timescales set out in the School Financial Procedures and supporting records should demonstrate this.	Significant	6 months	31 May 2024
For all purchases over £2000 School Financial Regulations must be followed and three quotations obtained except where the stated exemptions apply.	Critical	3 Months	30 April 2024
All purchases must be completed in line with the requirements of the Schools Financial Regulations.	Significant	6 months	30 September 2024



Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
Controls over the purchase card should be strengthened, specifically around ensuring controlled access and separation of duties in transaction reconciliations.	Significant	6 months	30 September 2024
A procedure should be developed along with associated guidance for the completion of supplier creation, amendment requests and review.	Significant	6 months	30 September 2024

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.1 The 2023/24 Internal Audit plan included an allocation of time to complete financial health checks at a sample of Local Authority maintained schools. Benchill Primary School was selected as part of this programme of audits.

2. Conclusion and Opinion

- 2.1 We are only to provide **limited** assurance over the adequacy, application, and effectiveness of the School's financial control systems.
- 2.2 We are unable to provide higher assurance mainly due to the need to strengthen control over expenditure; and improve adherence to Schools Financial Regulations and the School's Scheme of Financial Delegation and Financial procedures for purchases.
- 2.3 Specific areas for improvement include obtaining quotations and tenders for higher value purchases and demonstrating value for money, ensuring appropriate approval of expenditure in advance of purchases being made with suppliers and building appropriate separation of duties into purchasing transactions.
- 2.4 Focus should also be on revising responsibilities around the use of the purchase card and reconciliation of the purchase card transactions to ensure independent oversight.

3. Summary of Findings

- 3.1 We identified areas of good practice during the audit, as follows:
- 3.2 There is a 3-year budget in place alongside supporting budget assumptions, which was approved by Governors and submitted to the Local Authority within the required timeframe.
- 3.3 There is a three-year School Development Plan in place which links priorities to the respective budget implications.
- 3.4 There is regular budget discussion and challenge at both Governing Body and Resources Committee.
- 3.5 Staff starters and leavers are processed accurately and on a timely basis.
- 3.6 The School is cashless therefore the risk of loss and misappropriation around cash handling and the associated administration has been mitigated.
- 3.7 Areas for improvement are as follows:

Budgetary Control

- 3.8 Discussions with the Head Teacher and the Business Manager confirmed that they had met regularly since July 2023 to discuss the School budget position focusing on review of individual cost centres. These meetings were not recorded and did not include discussion of the overall budget position or review of the Schools cashflow. To ensure the Head Teacher is aware of the implications of budget movements in individual cost centres on the overall budget position and that decisions are taken with this in mind we recommend this being part of discussions alongside monitoring of the cashflow position.

Key Reconciliations

- 3.9 Key reconciliations were being completed on a timely basis and were routinely signed by the Business Manager as being completed. There were some isolated instances of this not being the case. Reconciliations are a critical control and should be independently reviewed but there was a period when this process lapsed due to the individual responsible having a prolonged period of absence from work. As such we recommend that arrangements should be made for covering key financial roles during periods of staff absence, including the review and signing / evidencing of review of key reconciliations.

Expenditure Controls

- 3.10 Compliance with the Schools Financial Regulations (SFRs) is tested during the audit and identified a number of examples of non-compliance with the

requirement for demonstrating value for money for purchases over £2,000. School controls were in line with requirements of the SFRs but actual practice was often not in compliance with agreed procedures.

- 3.11 We have also recommended strengthening controls over use of the School purchase card. Whilst the card was stored in the safe which we consider to be best practice we would also expect controlled access to the card by way of a purchase card log to record movement of the card, by whom and the reason for use. Also, whilst it is positive that card reconciliations are being completed on a timely basis, we would expect these to be completed by someone other than the card holder which is currently not the case.
- 3.12 Given the increase in targeted fraudulent attacks on Schools around their vendor create and amend processes we have added testing to our health check programme in this area. Whilst it's clear that the School has agreed processes around vendor creation, amendment and review as described to us by the Business Manager these are not documented in a procedure document. With processes being informal there is a risk that individual members of staff may not be clear on agreed processes and may therefore not always follow them. We have therefore recommended that these procedures are documented and included within the Schools Operational Financial Procedural Manual (OFPM).



Executive Summary G

Internal Audit Report 2022/23 Adult Social Care Adaptations Review

Distribution - This report is confidential for the following recipients	
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Name	Title
Karen Crier	Assistant Director Adults Social Services, Responsible Officer
Bernadette Enright	Executive Director Adult Social Services, Accountable Officer
David Lynch	Director of Development and Corporate Estate
Martin Oldfield	Head of Housing
Councillor Robinson	Executive Member for Healthy Manchester and Adult Social Care
Joanne Roney	Chief Executive
Carol Culley	Deputy Chief Executive and City Treasurer
Tom Wilkinson	Deputy City Treasurer
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Draft Report Issued	3 January 2023
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Final Report Issued	4 May 2023
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Executive Summary

Audit Objective	Assurance Opinion	Business Impact
To provide assurance over arrangements for delivering the Council's Adaptations Offer across the City in line with Disabled Facilities Grant (DFG) delivery guidance	Limited	Medium

Sub objectives that contribute to overall opinion	Assurance
There is a clear overarching strategy.	Reasonable
Roles and responsibilities are clearly defined and understood.	Limited
Processes are in place to ensure offers are consistent, specifically in relation to pricing, quality of works, process times and waiting times.	Limited
Arrangements are in place to understand customer satisfaction/ experience and address concerns raised.	Reasonable
Management information informs decision making and performance monitoring.	Limited

Key Actions (Appendix 1)	Risk	Priority	Planned Action Date
<p>The Adaptations SLA should be reviewed, updated, and formally agreed as a priority, and reviewed / revised annually thereafter.</p> <p>This work should include a review of the performance reporting requirements and performance indicators included in the SLA.</p>	Significant	6 months	31 August 2023
A centralised workflow with supporting procedures should be produced to map the end to end process for delivery, including defined timescales for each process stage; from initial request, through assessment, to decision and completion of adaptation and sign off the work.	Significant	6 Months	30 June 2023

<p>Responsibility for completion of the smaller RPs adaptations should be reallocated away from the three large RPs to allow them to focus their resources on their own adaptations. Options include allocating smaller RPs work back into the City Councils MEAP team or alternatively, asking the small RPs to complete their own adaptations.</p>	<p>Significant</p>	<p>6 Months</p>	<p>30 June 2023</p>
<p>Options for achieving a more consistent and streamlined approach for recording and tracking adaptation requests must be considered.</p> <p>If the option chosen does not involve shared records between MEAP and the RPs, then MEAPs waiting lists should be regularly shared with each RP so that the RPs are clear on the numbers on the MEAP waiting lists that may come through for assessment.</p>	<p>Significant</p>	<p>6 Months</p>	<p>30 June 2023</p>
<p>As part of the wider review of adaptations delivery consideration should be given to bringing the delivery and oversight of Manchester Housing Operations adaptations back under the MEAP team.</p>	<p>Significant</p>	<p>6 Months</p>	<p>31 May 2023</p>
<p>A working group should be developed including representatives from both the City Council and each of the RPs with a remit to consider options to improve the timeliness and effectiveness of the adaptations process across the City, this should include but not be limited to a focus on the issues identified in our audit as contributing to the delays our testing identified.</p>	<p>Significant</p>	<p>6 Months</p>	<p>30 June 2023</p>
<p>In the review and revision of the SLA recommended at recommendation 1 above; the requirements around quality checks should be clearly articulated and consideration should be given to developing a standard document to be completed demonstrating quality checks have been completed prior to handover.</p>	<p>Significant</p>	<p>6 Months</p>	<p>31 August 2023</p>

Assurance Impact on Key Systems of Governance, Risk and Control		
Finance	Strategy and Planning	Resources
Information	Performance	Risk
People	Procurement	Statutory Duty

1. Audit Summary

- 1.1 The Council, working in collaboration with partners, is responsible for the provision of services to support delivery of home improvements; enabling citizens to continue to live independently in their own homes. These can be minor changes; providing mobility equipment, undertaking work such as fitting handrails or major building works, for example bathroom conversions or extensions requiring structural changes to be made; or a combination of actions. The Council has a duty of care to ensure that citizens are supported and able to stay safely in their own homes wherever possible.
- 1.2 The number of referrals for adaptations and the subsequent assessment of need to Manchester City Council increased during 2021/22. This increase has been attributed to the following factors:
- The pandemic and subsequent restrictions on the ability to deliver assessments, including them ceasing for a period.
 - An aging population and in particular, the precedent set by the Islington Ruling; prior to this ruling, more cases would have been refused at the assessment panel in favour of rehousing citizens to more appropriate properties, as opposed to adaptation.
- 1.3 The expectation from management is that the demand will continue at this level or even increase in terms of the number of cases being passed to registered providers (RPs) for both feasibility assessments and assessments of need. Management have some concerns over the current delivery model which can mean a citizen's journey can take different routes, depending on a series of factors including; whether the citizen is living in social housing, the private rented sector or owns their home; the scale of the adaptation works required; whether they are minor or major adaptations; or whether they are standard or non-standard requirements.
- 1.4 Management have also identified other challenges which can impact upon a citizen's adaptation experience, regardless of the combination of factors and the route of their journey. These include:
- Time taken for feasibility reports to be completed. These are often outsourced to companies with limited knowledge or expertise by lead RPs due to capacity challenges.
 - Time for works to proceed with a lack of robust evidence around sign off, inspection and quality assurance upon completion to ensure the work meets the assessed need.

- Insufficient expertise in understanding disability needs to provide appropriate plans.
- Inconsistency across different tenures for delivery in terms of waiting time, quality, and cost.
- Resource intensive in terms of performance management and potential issue to resolve around conflict of interest; as contractors undertake both the work and sign off.

1.5 These challenges can create delays in the installation of adaptations which are increasing the potential for a deterioration in a citizen's ability to live well and safely from home.

1.6 Internal Audit therefore agreed as part of their 2022/23 plan, to complete an audit of the consistency of the adaptations offer across the city, to support a wider review of the adaptations delivery model which is underway.

2. Conclusion and Opinion

2.1 We are only able to provide **limited** assurance over arrangements for delivering the Council's Adaptations Offer across the City. This opinion is mainly due to the Service Level Agreement (SLA) between the City Council and the 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 COVID pandemic.

2.2 We did confirm that there were clear and transparent processes within each of the organisations responsible for completion of adaptations with documentation retained, mainly electronically, to support each of the adaptations. We also confirmed that there were no waiting lists for work to start at any of the RPs for adaptations activity once they had received the assessment of need; each of the providers started work on sourcing contractors to complete works as soon as the grant was approved. We were able to track each of the adaptations we tested through the process from assessment to completion and reasons were given for delays in the process which are reported on in the action plan below.

2.3 Standard documentation was used across the adaptations process for the assessments of needs, request for DFG funding, approval of DFG funding and the customer satisfaction questionnaires. This helped ensure these elements of the process were completed on a consistent basis.

2.4 There were some significant delays in the adaptations process with MEAP having waiting lists for initial assessments to be completed and long delays on average across the sample we selected from when the work was allocated to an RP and work was started on the property by a contractor. The reasons given for these delays was the sheer volume of work coming through the system and the difficulty there was in sourcing alternative contractors when the primary contractors had reached their capacity and the time it took

contractors to start work following acceptance of the job. We were assured by providers that they started work in sourcing contractors for each job as soon as they were received.

3 Summary of Findings

Key Areas of Strength and Positive Compliance

- 3.1 All three RPs (Southway, Wythenshaw and One Manchester) and MCC Housing Operation (previously Northwards) maintained all records supporting the adaptations process electronically and MEAP were in the process of moving to full electronic records. All supporting records were available for the sample of adaptations that we reviewed, and documentation provided a clear audit trail for the individual adaptation exercises.
- 3.2 Standard documentation was also used for key elements of the process for example the notification of adaptations to the RPs, notification of variations, request for DFG funding and the customer satisfaction questionnaires.
- 3.3 Staff within each organisation responsible for elements of the adaptations process were clear in their understanding of their role in the process.
- 3.4 Wythenshawe Housing, One Manchester, MCC Housing Operations and MEAP had local procedures documenting their processes for dealing with Adaptations.
- 3.5 Once contractors actually started work on site for individual adaptations the work tended to be completed on a timely basis for the sample of adaptations we tested.
- 3.6 Despite the lack of central collation of performance statistics, we confirmed that Wythenshawe, One Manchester and MCC Housing Operations do complete internal performance reporting to varying degrees.
- 3.7 Once the DFG application form was sent through for approval to the DFG team within the Council approval of the grant was largely carried out in a timely fashion.
- 3.8 Customer satisfactions questionnaires were used across all providers to obtain feedback from citizens on the completion of adaptations work, these were mostly completed in a timely fashion after the completion of the adaptations and were retained alongside other documentation supporting the adaptation.

Key Areas for Development

- 3.9 We have made seven significant risk recommendations in this report. Specifically in relation to these issues we have recommend that management should:

- Review and revise the Service Level Agreement for the adaptations offer.
- Develop a system wide workflow/ procedural document that includes desired timescales for each stage.
- Review the current arrangements for delivery of the adaptations offer with a particular focus on potential changes to delivery of the offer to small RPs and landlords and MCC Housing Operations.
- Review the recording and documentation arrangements for adaptations activity with a view to ensuring it is streamlined and consistent across partners.
- Develop a working group that includes City Council and partner organisations to consider options that may improve the timeliness and effectiveness of the adaptations process.
- Review and revise performance reporting requirements and the performance indicators included in the SLA.
- Ensure the SLA review includes clarity of the requirements in relation to quality checks and consider standard documentation to support these quality checks.