

**Manchester City Council  
Report for Information**

**Report to:** Audit Committee - 12 November 2019

**Subject:** Internal Audit Assurance Report 2019/20

**Report of:** Deputy Chief Executive and City Treasurer / Head of Internal Audit and Risk Management

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**Summary**

The Internal Audit Section delivers an annual programme of audit work designed to raise standards of governance, risk management and internal control across the Council. This work culminates in the Annual Head of Internal Audit Opinion and an Annual Assurance Report. This report provides a summary of the audit work undertaken and opinions issued in the period April to September 2019.

**Recommendations**

Members are requested to:

1. Consider and comment on the Internal Audit Assurance Progress Report to 30 September 2019; and
  2. Confirm the proposed changes to the Internal Audit Plan 2019/20.
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**Wards Affected:** All

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**Background documents (available for public inspection):** The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Internal Audit Plan 2019/20 (April 2019)
- Outstanding Audit Recommendations Report (30 July and 12 November 2019)
- Internal Audit Progress Report (30 July 2019)
- Manchester and Salford Inner Relief Road Lessons Learned (15 October 2019)

## 1. Introduction

1.1 This report provides a summary of the work of the Internal Audit Section from April to September 2019 including progress toward delivery of the annual audit plan, a summary of assurance opinions on completed audits and a summary position on the implementation of Internal Audit recommendations. Focus is on the work produced in the second quarter of the year July to September. The opinions and statistics have been shared with Directorate senior managers for discussion; to agree actions; and will be used to inform an overall annual assurance opinion in March 2020.

1.2 Appended to this report are:

- Appendix One: The full delivery status of the annual audit plan
- Appendix Two: Executive summaries from 2019/20 audit opinion reports issued as final in the quarter
- Appendix Three: Basis of Audit Assessments (Opinion/Priority/Impact)

## 2. Audit Programme Delivery

2.1 The following table is a summary of the outturn against the audit plan to date.

<b>Audit Status</b>	<b>2018/19 Brought Forward</b>	<b>2019/20 Audit Plan Outputs</b>	<b>Additional Items</b>
Final Report	19	28	4
Draft Report	2	2	
Fieldwork Completed		4	
Fieldwork Started		10	2
Planning		7	
Not started		38	1
Cancelled / Deferred / Rescoped		14	
<b>Totals</b>	<b>21</b>	<b>103</b>	<b>7</b>

2.2 Outputs include audit reports, management letters and advice and guidance as well as support to management on service improvement. The analysis does not include most of the advice and guidance provided to the business through involvement in working groups and projects across the Council as these are not usually captured in formal reports. The number of total expected outputs will rise as the blocks of audit time assigned to areas of risk including the Our Town Hall Project and Schools Financial Health Checks are broken down to assignment level in line with plans and where contingency resource is allocated to additional work.

- 2.3 The table includes corporate counter fraud investigations where there is a proactive report but does not include all casework. The key focus of corporate fraud and investigation work is summarised in section nine for information however details and outturn was reported in the annual fraud report presented to Audit Committee in September 2019. This is due to the confidential nature of case work and the status of case activity.
- 2.4 Progress on delivery of the 2019/20 annual audit plan has been impacted by a number of factors as follows:
- Resource and timing requirements for completion of a number of audits from the 2018/19 audit plan beyond assumptions made in the development of the 2019/20 plan.
  - Requests for additional audit support on specific unplanned areas.
  - Two recent resignations at Auditor and Lead Auditor grades which impacts on resource availability to year end. These posts are not planned to be filled with permanent postholders immediately as a service restructure is underway for completion by 1 April 2020 and permanent recruitment will therefore be made once this new structure is in place.
- 2.5 Work brought forward from 2018/19 has now been delivered however completion of the 2019/20 plan is currently at 33% against plan (against a mid-year target of 40%) and there has been a review of risk and resourcing to consider how to address the delivery gap.
- 2.6 To increase capacity a recruitment exercise is underway to seek additional temporary resources of two auditors to year end. In addition, there a number of audits proposed for cancellation, deferral or rescoping; particularly where there are alternative means of gaining assurance or a reasonable request from management to delay audit to a more appropriate time. Specifically, the proposals for consideration are as follows:

#### Proposed Cancellation

- Children's Services / Post Ofsted Plan Monitoring Audit. A recently finalised audit from the 2018/19 plan provided substantial assurance over systems and processes and confirmed there was clear evidence of actions underway to continue to embed service improvements and change. Given the timing and positive assurance from this completed work we have discussed with management and propose that the next audit assurance in this area should be reconsidered as part of the wider assessment of organisational risk and assurance requirements in the 2020/21 audit planning process.
- Children's Services / Contracts Management. There has been a range of contracts audit work undertaken across the Council within the audit programme that provide assurance over progress to implement improved systems of control in contract arrangements. Areas for improvement remain but we have positive assurance that the service understand this and are focused on continuing to drive change.

- Core / Financial Systems. We propose to develop an assurance map to capture the risk assessment and assurances available across the Council's core financial systems. This will be completed in quarter four. As such three audits are proposed to be cancelled from the 2019/20 plan:
  - Revenue Budget Setting - There has been recent audit activity with positive assurance provided; there is a high level of senior management, finance and Member scrutiny of the processes; and because there have been no fundamental changes to the arrangements from previous years.
  - Council Tax - Previous audits provided substantial assurance over the core strategy and operational arrangements and based on initial planning there are no significant changes in systems or processes that present new risks.
  - Income (other) - There was positive assurance provided when this was last audited and from initial planning we have confirmed there have been no specific risks or issues that mean this is a high priority area for assurance.
  
- Workforce Delivery Planning. This audit was planned to provide assurance over workforce planning and development. Assurance in this area will be sought through activities set out in the Our Transformation Programme and Annual Governance Statement processes rather than a specific audit. We are aware of a range of activities ongoing in this area including new summary service business plans (including workforce development priorities), induction and buddy arrangements, leadership and management development programmes and review of the joiners/movers/leavers processes, all of which we will consider in developing the annual audit opinion in March 2020.

#### Proposed Deferral

- Children's Services / Placements Contract Management Audit. This audit is proposed to be rescheduled for completion in quarter one 2020/21 as this will enable recent changes in resourcing and systems within the Children's Commissioning and Contracts team to embed. The audit will then focus on testing compliance with these new systems and processes.
  
- Neighbourhoods / Casework Management Flare Upgrade. This replacement is in the procurement phase and this will delay the proposed audit which was intended to support on business process redesign and/ or the migration of data to a new system. As such this audit will be reconsidered as part of 2020/21 planning.

#### Proposed Rescoping

- Children's Services / Management Oversight and Supervision Follow Up Audit. The 2018/19 audit provided moderate assurance and the planned follow up was at the request of the Director of Childrens Services. Rather

than a full reperformance of the audit we will monitor progress to implementation of agreed actions and perform focused testing within the audit recommendation monitoring process rather than carry out a separate audit. This follow up work is now underway.

- Core / Capital Strategy Governance. The governance aspects of the capital strategy and capital programme will be considered with the audit work planned on Capital Programme Management as there is a clear relationship between the two. We are aware of significant progress having been made in this area with the Capital Strategy Board and portfolio boards in place overseeing capital funding allocations and delivery; these elements will be considered in the scoping of the planned work.
- Neighbourhoods / Highways Contracts Financial Due Diligence. A planned audit of due diligence has been superseded by actions taken and planned in response to administration of principal contractor on the Manchester Salford Inner Relief Route Programme (MSIRR). The details of this and lessons learned were reported to Audit Committee on 15 October and including planned actions to review and refresh organisational due diligence arrangements under the leadership of the Head of Integrated Commissioning and Procurement. As such the audit role will be to engage and support improvement actions in this area.
- Neighbourhoods / Highways Assurance Framework, Highways Investment Programme, Highways Service Redesign. Following a number of concerns raised with the Strategic Director Neighbourhoods and Internal Audit the planned audit work was rescoped to focus on a detailed review of Highways Programme and Project Management which is now underway. We are aware that the service redesign is progressing with HR support and as such have assurance that some of the risks to the Highways Service in terms of structure and capacity to deliver the Investment Programme should be addressed through this approach. Some of the planned time for Highways audits has also been redirected to detailed audits of the MSIRR application payments as referred to later in this report.

2.7 The sections below describe the progress and overall summaries of assurances provided in this quarter against the agreed annual audit plan.

### **3. Adult Services**

3.1 The Executive Director of Adult Social Services presented a report to Audit Committee on 15 October 2019 providing an update on progress with delivery of the Adults Services Improvement Plan and action taken to implement audit recommendations. Audit Committee noted the need to more clearly link changes planned through the Service Improvement Plan to outstanding audit recommendations to provide assurance that these were being addressed; and a need for a clearer map of assurance over functions delivered through the Manchester Health Care Commissioning (MHCC) and Manchester Local Care Organisation (MLCO) partnerships. Internal Audit have developed a protocol

and approach with the internal auditors of Manchester Clinical Commissioning Group to improve coordination of audit work across MHCC and will seek to develop the same with Manchester Foundation Trust for MLCO activities. As agreed with Committee we will develop and present an assurance map to aid in Committee assessment of areas of assurance and will present this to key stakeholders and to Audit Committee in quarter four.

- 3.2 We provided limited assurance that the governance arrangements between the Council and the MLCO were operating effectively in line with the partnering agreement and supporting delivery of key objectives (For Executive Summary see Appendix 2 ES1). This was due to the need to simplify governance and accountability arrangements, improve clarity and efficiency of reporting lines and the define clear roles and responsibilities for the discharge of key functions and accountabilities. These were issues well known to management within the Council and with partners and the audit provided a basis and framework for focused engagement and discussion. The Director of Policy, Performance and Reform has since led a number of workshops with Health and Council colleagues to explore how the governance could be streamlined and developed to be more effective in future and this work is ongoing. Other work is already under way to address some of the issues raised such as revising committee terms of reference and membership, updating the agreements and simplifying performance metrics.
- 3.3 A follow up audit was completed on the Disability Supported Accommodation Services (DSAS) Quality Assurance Framework in September (Appendix 2 ES2). This concluded that actions taken to date have not addressed the risks noted in the original audit and that work was still required to develop an approach to the audit of properties and to ensure a consistent, standardised assurance programme based on risk. As such the recommendations in the audit were assessed as outstanding although actions were proposed in October and will be followed up as part of the standard recommendation monitoring process.

#### **4. Children's Services**

- 4.1 As reported to the Children and Young People Scrutiny Committee on 9 October, the implementation of the Liquid Logic case management system has been a key focus for Children's, Adults and Finance services. This project was a significant technology change but critically it also involved substantial change in business processes and new ways of working. It is recognised that whilst the system has gone live across services, the project remains in transition as there are aspects of business readiness and other changes that need to be finalised and the consistent use and it acknowledged that the consistent use and application of the system will develop over time. There remain some workarounds in place to ensure that care and associated payments to providers and carers can be made and this remains an area of focus for the project team. To provide key stakeholders including External Audit, with confidence over the completeness, accuracy and validity of financial information flows through Liquid Logic to the payment and finance systems, Internal Audit will work with finance and the project team to obtain

appropriate assurance. This work will progress in quarter three in advance of the Interim External Audit in January 2020.

- 4.2 In addition to supporting this work on assurance over information flows, Internal Audit completed work on Liquid Logic data quality, user acceptance testing, business continuity planning and access controls as part of the preparation for go live. Actions agreed in response to advice issued through this work have been completed or are being addressed through the project team.
- 4.3 An assurance review of the Post OFSTED Inspection Action Plan was finalised in the quarter. This confirmed substantial assurance over progress made in delivering the plan, noting that it provided an effective framework to ensure continuing improvement in the service areas identified as being weak in the 2017 OFSTED report. Significant progress had been made in implementing recommendations and the direction of travel was positive. The review acknowledged the iterative nature of the action plan and that work was ongoing to ensure that revised systems and processes become fully embedded and fully deliver the desired performance improvement.
- 4.4 A lessons learned review was completed following the decommissioning of the Leaving Care contract and development of in-house service provision. This work was carried out to inform an assessment of the approach to decommissioning and to assess whether processes and procedures are sufficient to support the required actions when contracts are exited. The review acknowledged the substantial work undertaken to deliver this project in short timescales and did not identify any significant issues of concern. Suggestions to develop further organisational guidance and clarify roles and responsibilities to support timely input and engagement of all relevant service areas are being taken forward for action by the Integrated Commissioning and Children's Services Commissioning teams.

## **5. Education and Schools**

- 5.1 Substantial assurance was provided for first two of 14 schools included in the plan of financial health checks for completion by the end of March 2020. Internal Audit confirmed that the financial controls in operation at both schools were operating as intended and there were no significant risk or higher recommendations made for St Peter's Primary School (Appendix 2 ES3) and only one made to support St Luke's Primary School (Appendix 2 ES4) relating to the need for the School Development Plan to be multi-year and linked to the longer term budget.
- 5.2 Advice and guidance was provided to the Director of Education in relation to the Home to School Transport Appeals policy following a recommendation from the Local Government Ombudsman (LGO) for an independent review to confirm that Council procedures were fully aligned to statutory guidance. While there had been no fault found in relation to decision making for appeals the LGO had recommended that verbal representation should also be offered for stage two appeals. We concluded that while there were no significant



gaps in the Council's procedures there was a need to refresh guidance in line with statutory guidance. This new approach will be piloted to assess the impact of the change on administration and costs and a response has been issued to the LGO by the Council.

- 5.3 Assurance and support was also provided to develop the route allocation process used in the tendering of the social transport framework. The aim of the work was to determine whether the process being followed created an appropriate evidence trail of the decisions made and to advise of any alternative methods to help reduce the potential for error and the demand on staff resources which was significant. This confirmed that the current process was accurate but there was significant scope for improved efficiency and automation. To assist the service the Auditor designed an excel workbook which will help reduce staff time to complete large route allocation exercises and provide a robust audit trail of the decision making involved going forward.

## **6. Corporate Core**

- 6.1 Work in the quarter included a key focus on finalising ICT audit work from 2018/19. This included an audit of the G Suite (Google) application that provided reasonable assurance over the effectiveness of controls supporting the confidentiality, integrity and availability of the application. The audit highlighted a need to strengthen existing controls supporting the management of (and access to) suspended accounts, and the monitoring and periodic review of users granted access to privileged roles. Three recommendations for improvement were identified and we are aware that steps have already been taken to improve the control environment since the conclusion of the audit work.
- 6.2 We completed follow up work on Software Licensing following the limited opinion issued in July 2018 (Appendix 2 ES5). This confirmed that some progress has been made towards the implementation of recommendations, although further work was required to fully complete all required actions. In particular we noted that work to confirm and communicate ICT and directorate roles and responsibilities; and finalise a business case to resource and technology requirements to identify and manage licenses across the ICT estate was still in progress. These are being progressed but the audit reconfirmed the need to address these matters which are all now overdue. Further follow up will be completed as part of the recommendation monitoring process and reported to the Strategic Director, Executive Member and to Audit Committee.
- 6.3 An audit of Cyber Security was completed but the findings of this report, and associated audit opinion, will not be disclosed beyond the report distribution list. This is due to the sensitive nature of the report in that any areas for improvement could expose the Council of heightened risk of security incidents. A verbal briefing on the findings of this audit and planned actions will be provided to Audit Committee in Part B of the meeting.
- 6.4 A briefing note was issued in July confirming the current position on the Data Centre Programme. This is a major programme and a short update was

provided to Resources and Governance Scrutiny Committee on 8 October 2019. The audit note confirmed that in July the Data Centre Programme presented a high reported level of current risk and was rated as 'red' overall. This was largely as a result of delays in securing a network design and the criticality of this stage in enabling the data centre configuration and network connectivity. These risks have been reported to Strategic Management Team and whilst the programme is progressing there remains a high level of risk given the scale of work required to be completed in tight timescales. There is an acknowledgement that external events such as the General Election could further impact the ability to deliver this project by the planned go live date. Whilst presenting a high level of risk we did report that the programme was subject to appropriate governance and escalation reporting with a high level of oversight by the Interim Director of ICT. As such Internal Audit considered the current governance arrangements provided a positive assurance that risks, issues and progress were being overseen and managed appropriately.

- 6.5 Positive assurance was provided from an audit of treasury management (Appendix 2 ES6) and from grant certifications completed for the Carbon Reduction Commitment. The latter confirmed the accuracy of energy use figures for both Manchester and Bolton Councils, supporting submission of these to the Environment Agency in July 2019. Positive assurance was also provided for the Interreg ABCitiEs grant where certification work in relation to the first and second tranches of project delivery for the European project was completed and there were no significant matters arising. A key area of focus for the quarter is core financial systems assurance mapping, the outcome of which will be presented to Audit Committee in subsequent assurance reporting.

## **7. Neighbourhoods and Growth and Development**

- 7.1 Reasonable assurance was provided over the Neighbourhood Investment Fund (NIF) scheme for assessing and awarding grants (Appendix 2 ES7). There was a well-defined approach to the award of grants and applications examined were largely completed in line with the guidance and approval/rejection decisions had been obtained from relevant Members. Where applications had been rejected the rationale was appropriate. There were some areas where governance and control could be strengthened and we found a few anomalies within our sample where the process had not been applied as intended; due to differences in the approach between Wards. In particular there were some gaps in the evidence trail supporting grant award decisions and there were some inconsistencies in the timeliness of monitoring. A number of NIF grants were awarded to community groups who had previously received funding and we noted that this could restrict funds available to new groups and that where further options for alternative funding streams to encourage sustainability should be explored.
- 7.2 A lessons learned report for MSIRR (Regent Road) was presented to Audit Committee 15 October 2019. As part of the new contract Internal Audit has performed examination of four applications for payment and raised a number of concerns over the quality of evidence provided in support of these

applications. These concerns related primarily to the accuracy of labour charges and were addressed part way through the contract with introduction of a biometric time recording system. The Project Manager and Internal Audit have met with the main contractor to discuss a number of unresolved historic queries which will need to be addressed before the final account is approved and paid. These checks will be included in a review of the final account, due at the end of October.

- 7.3 An audit of the Greater Manchester Road Activity Permit Scheme (GMRAPS) was finalised providing reasonable assurance over the effectiveness of processing of GMRAPS based on testing a sample of permits and inspections (Appendix 2 ES8). Whilst the system was largely robust there was a need to improve the permit process for works completed by the in house service and clarity required over some aspects of the process for fines, collection and debt recovery for which management actions have been agreed.
- 7.4 Two Disabled Facilities Grants (Main and Additional) were reviewed in period with audit work confirming the validity of the grant claims totalling £7.8m. In certifying the grants we raised five moderate and minor priority recommendations) seeking some improvement in guidance, record keeping and reconciliations which management have agreed to address.

## **8. Procurement, Contracts and Commissioning (PCC)**

- 8.1 Overall our work within PCC demonstrates that there has been improvement in aspects of organisational commissioning, procurement and contract management arrangements however there is still significant work and activity is continuing well. There is a demonstrable clear, positive direction of travel over the controls in place for Council contracts and the work driven by the Integrated Commissioning team has resulted in improved visibility of contracts, enhanced guidance and tools available and improved methods of engaging officers with a role in contract management through targeted bulletins and regular Contract and Commissioning Manager meetings. There is an acceptance that there is still more work to be done to improve overall contract management of Council contracts and the role DMTs can play in assessing their Directorate's position on this. The importance of upskilling contract and commissioning officers across the Council is evident through the increase in the training and development opportunities on offer.
- 8.2 A follow up audit of Contractor Whistleblowing Arrangements (Appendix 2 ES9) demonstrated that good progress has been made and we concluded that the two agreed recommendations were implemented. We recognise that following the MSIRR Lessons Learned Report there may be more to do in raising contractor and sub-contractor awareness of the Council's whistleblowing arrangements and routes to 'speak-up' and will work with the Head of Head of Integrated Commissioning and Procurement on this area. Similarly the Corporate Taxi Framework follow up audit confirmed the implementation of three significant and two moderate recommendations (Appendix 2 ES10). The taxi framework is currently being retendered informed by learning from the risks and issues of the previous arrangements and this audit work will be used to inform the new systems of control.

- 8.3 Reasonable assurance was provided in relation to arrangements to ensure compliance with the Public Contracts Regulations 2015 with the majority of procurements tested in line with expectations (Appendix 2 ES11). The Chest system that is used for tendering activities was not consistently updated for the final stages of procurement and there were a number of occasions when prescribed timelines were not complied with. We made two recommendations to address these risks which were agreed by management and will be taken forward in line with recommended timescales.
- 8.4 A Procurement, Contracts and Commissioning Assurance Framework was further developed with action to populate an assurance map which highlights existing sources of assurance in relation to the Council's procurement and contract management arrangements. This was based initially on audit knowledge of current key controls and assurances predominantly around the procurement life cycle and updated following engagement with key commissioning and procurement officers to further enhance the detail and add controls and assurances. The resulting assurance map as shared with colleagues should help to identify potential omissions or duplications in sources of assurance. We will continue to update this document when required as existing assurances develop. This approach will also be used for the mapping of ICT; Core Financial Systems; and Health and Care assurances by year end and the outcome of this work is proposed for inclusion in a separate report to Audit Committee.

## **9. Counter-Fraud and Investigations**

- 9.1 Counter fraud work continued through a programme of proactive and reactive activity in line with the annual plan and as referrals were received. Details are provided in the Annual Counter Fraud report which presented to Audit Committee in October 2019. A summary of key activity is as follows.

### **Proactive**

- 9.2 In 2018/19 Internal Audit commissioned an external firm to review potential duplicate payments, VAT coding errors and unrecovered credit balances with suppliers. The current exercise is due to conclude at the end of November 2019, by which time the firm will have reviewed five years of standard supplier payments. At the end of September the Council have recovered £345k, net of fees charged. While this is a significant sum it is a very small percentage of the payments made over this period and is not considered indicative of any wider control weakness. We will carry out an evaluation following project conclusion but are also commissioning a more focused piece of work on telecommunications payments, which will start in November 2019.
- 9.3 The National Fraud Initiative continued during the year with Internal Audit supporting progress on investigation of data matches with colleagues in various business areas. While data matches do not always indicate fraud or error this work enables an assessment of risk and improved data quality where appropriate. A progress report was issued recently to confirm the status of current work and next steps. The 2016/17 exercise was closed by the Cabinet Office and resulted in £61k of overpayments though no criminal

investigations were undertaken as a result.

- 9.4 In relation to the 2018/19 NFI exercise £96k of fraud and error has been identified to date and 825 blue badges have been cancelled. The NFI Pilot has identified £50 of fraud and error with work ongoing. Recovery action is being pursued in each instance where an overpayment has been raised. In addition to this the Council Tax HMRC pilot is expected to recover in excess of £1m. The exercise, though resource intensive, continues to demonstrate value in terms of outcomes.

### **Reactive**

- 9.5 Internal Audit continued to address reported allegations of fraud or wrongdoing following risk assessment and consideration of appropriate action in line with the agreed policy and procedures. Steps to investigate were taken by Internal Audit, service management or through the application of other policies, such as corporate complaints or dispute resolution, as appropriate. In all cases Internal Audit retained an overview of the approach and outcome of investigations. The two main areas of casework and key issues arising in the period are set out below.

### **Corporate Cases**

- 9.6 Internal Audit has received 34 referrals of potential corporate fraud, theft or other irregularity in the year to date of which nine were considered whistleblowing allegations made either anonymously or from a named source and were handled under the Council's Whistleblowing Policy and Procedure.
- 9.7 The nature of investigation work remained consistent to that of previous years and included concerns raised in respect of a number of key risk areas including: staff conduct and behaviours; employee compliance with procedures; and relationships with and activities of third party organisations. Since the Annual Counter Fraud Report to Audit Committee in October, a successful prosecution was secured with the conviction of a former finance officer from Abraham Moss Community School who was found guilty of theft £27k of dinner money and other cash income relating to trips and charity collections. She was sentenced to a prison term and action to seek recovery of the money is underway. This case was reported in the online media and we continue to explore options to highlight such cases as a deterrent to criminal activity.

### **Council Tax Reduction Scheme, Housing Tenancy and Right to Buy**

- 9.8 A total of 51 new referrals of fraud and irregularity in relation to Council Tax Support, Council Tax Discount, Housing Tenancy Fraud and Right to Buy application fraud were received in the period making a total of 109 referrals in the year to date. The service took steps to recover a total of £19k of Council Tax Reduction overpayments and £182k of fraud has been prevented or detected where benefits accrue to the wider public sector such as the Department for Work and Pensions or housing providers.

## 10. Recommendation Implementation

- 10.1 Internal Audit continued to monitor implementation of recommendations, engaging with managers to assess exposure to risk in areas where actions remained outstanding and to explore options for mitigation of risk. Overdue recommendations are reported in more detail to Strategic Directors and Executive Members at six and nine months overdue. A separate report to Audit Committee provides details of the progress and actions to implement overdue high priority recommendations.
- 10.2 The number of critical, major or significant priority recommendations fully implemented was 58% with a further 10% partially implemented. This is below the target of 70% and a lower level of implementation than last quarter. There are a number of challenges in implementation within Adults and Children's Services. These issues have been reported to Audit Committee and solutions in a number of cases are linked to actions being progressed as part of wider service improvement programmes.

### Critical, Major or Significant Priority Recommendations by Directorate

Directorate	Number Due	Implemented	Partially Implemented	Referred Back to the Business	Outstanding
Corporate Core	29	24	3	0	2
Children's Services	20	6	1	0	13
Adult Services	20	6	3	0	11
Growth & Dvt Neighbourhoods	14	12	1	0	1
<b>Total</b>	<b>83</b>	<b>48</b>	<b>8</b>	<b>0</b>	<b>27</b>
		<b>58%</b>	<b>10%</b>	<b>0</b>	<b>32%</b>

## 11. Recommendation

- 11.1 Members are requested to consider and comment on the Internal Audit Assurance Progress Report to 30 September 2019 and confirm the proposed changes to the Internal Audit Plan 2019/20.