

Audit Committee

10 December 2019

Internal Audit Horizon Scanning

Purpose of Presentation

Accompanies Audit Committee Report 10 December 2019

In response to Audit Committee request to discuss audit Horizon Scanning

Indicative areas of potential assurance – not audits

Audit work will focus on systems of governance, management of risk and internal control

Actual areas of proposed focus will be set out in Annual Internal Audit Plan 2020/21

Context and areas of focus are from Internal Audit perspective only

Areas of Audit Focus 2018/19 and 2019/20 in **GREEN**

Context

Governance

Political Change and Instability
Legislative and Regulatory Change / EU Exit
Transparency, Accountability, Public Trust / Confidence
Public Rights to Request, Challenge and Speak Up
Liability and Claims
Privacy and Data Protection Rights

Partnerships

Public Service Partnerships, Collaboration, Integration
Commercial Investments and Partnerships
Commissioning and Contracts

Places

Future Housing, Skills and Employment
Future Resident Expectations
Strengths Based Approach: People, Communities, Localities
Connectivity, Congestion, Transport and Communication
Climate Emergency, Low Carbon, Clean Air
Extreme Weather Adaptation

Technology and Information

Digital Services, Mobile, Social Media
New Technology...Robotics, Internet of Things, AI...
Cyber, Hacking and Electronic Crime
Data Sharing, Pooling, Analytics and Insight

Workforce

Safety and Wellbeing
Diversity, Equality, Inclusion
Change, Agility, Flexibility
Future Office and Ways of Working

Finance and Funding

Core Spending Power Reductions and Austerity
Finance Reform
Specific / Time Limited Grants
Short Term Funding Settlements

People

Demographic Change and Population Growth
Ageing Populations, Longer Life Expectancy
Family, Child and Personal Poverty
Child and Adult Mental Health

Children's Services

Safeguarding

Governance and Oversight
Systems, Casework and Recording
Child Protection, Child in Need, Complex Safeguarding
Children Missing from **Home**/ Education
Unaccompanied Asylum Seeking Children
Manchester Safeguarding Partnership

Projects and Programmes

Early Years Education System
Liquid Logic Phase 2
Care / Finance Systems Integration

Corporate Parent

Looked After Children
Fostering
Adoption

Social Care

Integration and Collaborating with Health
Leaving Care

Transitions (Childrens to Adults)

Quality Assurance Framework

Management and Oversight / Supervisions

Assessed and Supported Year in Employment

Commissioning and Contracts

Residential Care

Placements

Unregulated Care Services

Short Breaks

Early Years / Free Early Education Entitlement

Contracts Quality Assurance

Special Educational Needs

Education Health Care Planning

Early Help / Troubled Families

Youth Offending

Children's Services: Education

Local Authority Schools Assurance Framework
Deficits and Surpluses
Home to School Transport

School Attendance
Children Missing from Education
Exclusions
Penalty Notices
Off Rolling

School Places and Property
Admissions and Appeals
Demography and School Place Planning
Building Statutory Compliance
Health and Safety

Schools

System Audits / Thematic Audits / Healthchecks

Budgets and Financial Planning

Payments

Income / Cash

Assets

Procurement

Information Management

Achievement / Attainment Recording and Reporting

Pupil Premium and Other Funding

Voluntary Funds

Other Education

Elective Home Education

Virtual Schools

Health and Social Care

Partnerships, Health Integration and Collaboration

Information Sharing
Integrated Neighbourhood Teams
Multi Agency Risk Assessments

Mental Health Services

MLCO Governance; Assurance and Decision Making
MHCC Governance; **Joint Commissioning and Contracts**; Joint Care Models; **Financial Framework**
Partnership Risk Management
Partnership Assurance Mapping

Homelessness

Front Door / Access

Rough Sleeping
Decision Making and Financial Management

Public Health

Commissioning and Statutory Duties
Incident Response and Support

Safeguarding

Governance and Oversight
Deprivation of Liberties Safeguarding
Serious Incident Protocols

Adults Social Care

Adults Social Care Improvement Plan

Access / Front Door (with health)
Strength Based Assessments
Technology Enabled Care
Mental Capacity Assessments
Direct Payments
Case Recording / Supervision / Quality Assurance
Financial Assessments
Transitions (Childrens to Adults)

Commissioning and Contracts

Residential Care, **Homecare**, Placements
Provider Resilience and Market Capacity
Contract Management and Budgetary Controls

Disability Supported Accommodation

Physical / Learning Disability Services
Reablement
Community Alarm Services

Core

Governance

Officer Decision Making
Performance Recording and Reporting
Ethics and Standards
Code of Governance / **Annual Governance Statement**
Digital Democracy

Finance

Financial Strategy and Planning
Commercial Investments / Investment Strategy
Payments - Blockchain / Cryptocurrency
Management and Delivery of Savings
Payment Card (PCIDSS) Compliance
Impact of Funding Reforms

Core Financial Systems

Treasury Management
Budget Setting / Budget Monitoring
Council Tax / NNDR / **Grants** and Other Income
Benefits and Welfare Support / Housing Rents
Payroll / Payments / Asset Recording
Core Accounting System / Banking / Financial Reporting
Grant Payments

Capital

Governance
Programme and Funding
Construction Projects
External Projects / Services

People

Absence Management / Annual and Other Leave
Succession Planning / Workforce Development
Recruitment and Selection
Equality, Diversity and Inclusion
Ways of Working
Agency / 'Off Payroll' Payments

Customers and Residents

Translations Services
Complaints and Comments
Customer Contact and Workflow
Communications

Risk

Liability and Other Claims / Insurance
Legal Case Management
Health and Safety

Growth and Development

Property and Premises

Strategy / Premises Moves / Colocation
Health and Safety / Statutory Compliance
Facilities Management / Security
Our Town Hall Programme
Assets of Community Value
Energy Reduction

Planning

Major Projects; Minor / Adaptations
Housing Programmes
Decision Making
Section 106

Skills and Employment

Skills Programmes / GM Programmes
Adult Education Services

Development Projects

Project Management and Delivery
Decision Making and Reporting
Commercial Risk Management
Due Diligence
Partnerships and Joint Ventures
Funding Allocations
Factory

Housing

Spatial Framework
Affordable Housing Strategies
Resident / Tenant Safety
Northwards Contract VFM and Monitoring
Housing Partnerships
Energy Reduction
Housing Allocations
PFI Contracts
Northern Gateway
Homes in Multiple Occupation

Neighbourhoods

Parks and Open Spaces
Libraries and Information Services
Leisure / Manchester Active
Sport and Partnerships
Events: Licensing, Partnerships, **Management**

Regulatory and Enforcement
City Centre Enforcement
Community Safety
Trading Standards
Environmental Health
Anti Social Behaviour

Parking
Income / Enforcement
NCP Joint Venture
Residents Parking

Skills and Employment
Skills Programmes / GM Programmes
Adult Education Services

Place Based Working/Integrated Neighbourhood Teams Markets

Highways and Transport
Transport Strategy
GM Bus Strategy
Project and Programme Management
Procurement and Contract Management
Sustainable Financing / **Specific Grants**
New Ways of Working
Safety and Traffic Calming

Waste
Collection
Recycling Strategies
Disposal (GMCA)
Street Waste / Fly Tipping

City Wide
Security and Resilience
Community Cohesion
Public Realm / Public Spaces
Heritage Preservation and Management
Flood Risk Management

Data Information and Systems

Mobile

Asset Management / **Appropriate Usage**
Apps, Extensions and Add Ons
Virtual Meetings

Information Governance

Requests for Information (FOIA, SAR, EIR)
Alignment with Partners
Data Retention and Storage
Data Accuracy, Reliability and Integrity
General Data Protection Regulations Compliance

Data Sharing / Pooling

Health and Care
Prevention and Detection of Crime
Efficiency, Analysis and Insight

Privacy

CCTV / RIPA Compliance
Information Incident Management

New Technology

Biometrics
Robotics and Integrated Processing
Predictive Analytics and Insight

Security

Cyber Risk

Incident Management and Response
Awareness and Training
Partnerships and Supplier Resilience
Public Service Network
Cloud Computing

Infrastructure

Upgrades and Replacement
Networks / Telephony
Resilience / Data Centre Replacement
User Devices
Application Management

Projects

Google / Microsoft Platform
SAP / Income Management
Customer Relationship Management
Case Management
Investment Programme

Procurement, Commissioning and Contracts

Procurement

Tender Evaluation and Award

Conflicts of Interests

Abandoned Procurements

Due Diligence / Supply Chain Resilience

Brexit Impacts on Procurement Process

Changes in Contracts and Procurement Legislation

Know Your Customer / Money Laundering / Due Diligence

Incentivised / Gain-Share Contracts and Commissions

Ethical Procurement

Fair Tax Scheme

Modern Slavery

Social Value Delivery

Social Value Impact and Outcomes

Environmental / Green Contracts

Alternative Delivery Mechanisms

Joint Commissioning / Partnership Contracts

Joint Ventures

Trading Companies

Insourcing

Contract Management

Supply Chain Management and Standards

Sub Contractor Assurance

Ongoing Due Diligence

Contract Frameworks – Revenue

Contract Frameworks - Capital

Compliance

Tender and Procurement Related Challenges from Bidders

Waivers and Contract extensions

Compliance with Procurement Regulations

Key Decision Process

Transparency

Counter Fraud and Irregularity

Governance

Counter Fraud Strategy

Policy and Procedure Framework

Organisational Assessment of Risk (and Assurance)
Social Media Investigation Policy

Awareness and Training

Anti Bribery / Anti-Money Laundering
Fraud Warning Signs (Adults / Childrens)
Schools Fraud Risk Assessments
Publicity and Campaigns (Incl National Anti-Fraud Week)

Organisational Capacity Building

Development of Service Based Investigation Skills
Data Matching and Analytics
Right to Buy Financial Vetting Process
Asset Recovery (Leavers)
National Fraud Initiative - Development of Approach
Declarations and Management of Interests
Joint Investigation Protocols (NHS, GMP, Housing etc)

Fraud Prevention / Detection / Investigation

NNDR Reliefs / Council Tax Discounts and Exemptions

Right to Buy / Housing Tenancy

Schools Income

Cash and Assets

Procurement and Contracts

Other Reactive / Proactive Development Areas

National Fraud Initiative

Hacking / Data Theft

Identity and Document Fraud

Manipulation of Data (Performance / Financial)

Care - Payments (Providers / Personal Budgets / Carers)

Care - Service User Finances

Insurable Claims (False/Duplicate Claims / Cross Boundary)

Payroll and Pensions

Recruitment and Vetting

Economic and Voluntary Sector Support and Debt

Welfare Assistance Payments

Housing Loans / Mortgage Repayments

Cross Cutting

Partnerships

UK/GM Devolution Development

GM / Inter Authority Partnerships

Health and Social Care Partnerships

Public Sector Partnerships

Companies and Joint Ventures / Directorships

Commercial Investments

Community and Voluntary Sector Partnerships

Environment and Climate

Low / Zero Carbon

Severe Weather Adaptability

Air Quality

Biodiversity

Governance

Accountability Frameworks

Delivery of Our Manchester Strategy

Transparency / Ethical Behaviours / Managing Interests

Delegations and Decision Making

Performance Management

Delivery of Savings

Equality, Diversity and Inclusion

Risk Management

Corporate Risk Management

Business Continuity Management

Crisis Management Planning and Response

Brexit Preparedness

Our Transformation Programme

New Delivery Models

Office of the Future

Digital Strategy

Citizen and Resident Engagement

Public Participation, Empowerment and Volunteer Support

Tell Us Once - Single Customer Record

Enterprise Wide ICT Development

Workforce Development

Skills / Succession Planning

Wellbeing / Staff Safety

Reward and Recognition

Colocation and Flexible Roles

Welfare Reform

Homelessness / Rough Sleeping

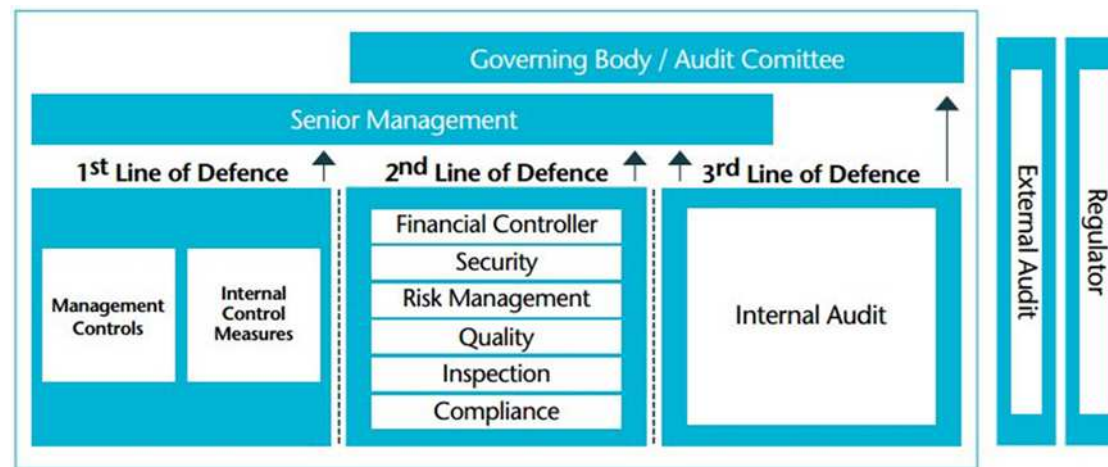
Debt Management Tenant and Resident Advice

Emergency / Discretionary Payments

Other Sources of Assurance

Internal Audit = Part of the 'Third Line of Defence'

Other sources of assurance assessed in refresh of audit strategy and development of annual audit plan



Key areas of focus for 'Assurance Mapping' where there are multiple sources of assurance are:
Health and Care, ICT, Core Financial System and Procurement, Commissioning and / Contracts

Other Sources of Assurance - Assurance Map:PCC

					Depth / Breadth / Reliability of Assurance		◆◆◆◆		
					Outcome of Assurance (Red,Amber,Light Green,Green)				
Level2	Level 3	Key Controls	Line 1	Line 1 comments	Line 2	Line 2 Comments (From Audit)	Line 2 Comments (IC and Procurement)	Line 3 (Audit Assessment)	Line 3 Comments (Audit and Assurance Work)
Strategy and Governance	Procurement Strategy	Budget Monitoring process, Business Plan, Ethical Procurement Policy, Regulations, Procurement and Audit Planning meetings			◆◆◆	SMT updates on contract management work	Regular reports to scrutiny, SAP workflows, well established commissioning pipeline, good links to stakeholder areas, inclusive procurement strategy re SMEs, officers are mandated to speak to Head of Procurement through regulations.		
Strategy and Governance	Forward Planning	Contract Registers (with IC), New PMO role within Highways, Directorate contract leads, presentations at Core DMT and Commercial Board			◆◆◆	Commissioning Pipelines, DMT Dashboards, Commerical Board, Contract Owners and Senior officers now assigned, SMT reports	Contract and commissioning group, commercial board subgroups which look at specific areas of contracts as a whole (e.g. car parking) extensions and waivers and non performing contracts, directorate leads. Less assured over XXX and looking at upcoming processes for next 18 months.		
Strategy and Governance	Data and Information	Contract Management User Guide, Intranet Pages, CM Bulletin, Chest, FOI established procedure			◆◆◆◆	CM Meetings, Directorate Registers, Chest, Contract Management System Business Cases	FOI Procedures, contract register (spreadsheet issues), Transparency data, award/ waiver register, tenders contain GDPR obligations, contract management tool when available should provide increased assurance here.	◆◆	PFA 18/19 & FM&CC 17/18, Individual Contract Management Audits
Strategy and Governance	Roles and Responsibilities	Contract Management User Guide, Financial Regulations,CM Bulletin, RTB Financial Management module, OM Leadership programme, contract management related e learning			◆◆◆	Dedicated contract leads within IC, commissioning leads within Directorates, Ethical Procurement Sub Group, assigned contract owners and senior officers.	SAP and Chest segregation of duties, job descriptions and team structures, training in place which includes roles and responsibilities of individuals via Raising the Bar and Our Manchester Leadership, procurement team aligned with specialisms with defined roles and responsibilities		Contract management audits, Decommissioning review

Other Sources of Assurance - Assurance Map: PCC

		Depth / Breadth / Reliability of Assurance	◆◆◆◆		
		Outcome of Assurance (Red,Amber,Light Green,Green)	◆◆◆◆		
Level2	Level 3	Key Controls	Line 2 (Management Assessment)	Line 3 (Audit Assessment)	Line 3 Comments (Audit and Assurance Work)
Strategy and Governance	Procurement Strategy	Budget Monitoring process, Business Plan, Ethical Procurement Policy, Regulations, Procurement and Audit Planning meetings	◆◆◆		
Strategy and Governance	Forward Planning	Contract Registers (with IC), New PMO role within Highways, Directorate contract leads, presentations at Core DMT and Commercial Board	◆◆◆		
Strategy and Governance	Data and Information	Contract Management User Guide, Intranet Pages, CM Bulletin, Chest, FOI established procedure	◆◆◆◆	◆◆	PFA 18/19 & FM&CC 17/18, Individual Contract Management Audits
Strategy and Governance	Roles and Responsibilities	Contract Management User Guide, Financial Regulations,CM Bulletin, RTB Financial Management module, OM Leadership programme, contract management related e learning	◆◆◆		Contract management audits, Decommissioning review
Strategy and Governance	Commissioning Pipeline	Contract Registers (with IC),			Contract management audits, spend review
Strategy and Governance	Financial Regulations	Constitution, Intranet, RTB Financial Management Training.	◆◆◆	◆◆◆	FM&CC 17/18 / PCR 19/20 / CM Audits. Compliance audits not limited to PCC plan
Pre-Tender and Specification	Identification of Needs	Commissioning pipelines, directorate business plans,	◆◆◆◆		
Pre-Tender and Specification	Market Development	Procurement Guidance,Cmgr user guide, regular commission of work by CLES	◆◆◆◆		CLES work, PCR and Procurement Fraud Review
Pre-Tender and Specification	Routes to Procurement	Procurement intranet pages,contract management user guide, Financial Regulations	◆◆◆		Decommissioning review, PCR, Procurement Fraud review
Pre-Tender and Specification	Development of Specification	IC and Procurement guidance and support, specification checklist	◆◆◆		Contract management audit reviews
Contract Tender Evaluation and Award	Due Diligence	work in progress to strengthen controls here	◆		Framework audit reviews
Contract Tender Evaluation and Award	Conflicts of Interest	conflict of interest forms for corp procurement officers and commissioners involved in selection panels	◆◆◆◆	◆	PFA 18/19, Previous requests for advice and guidance, Framework reviews
Contract Tender Evaluation and Award	Bids and Submissions	Chest inbuilt controls	◆◆◆◆	◆◆	PCR 2015 19/20, Procurement Fraud, Frameworks Audit
Contract Tender Evaluation and Award	Assessment Process	guidance on the panel process	◆◆		
Contract Tender Evaluation and Award	Terms and Conditions	Regular review and update of T&Cs	◆◆◆	◆	WB 18/19 and follow up work & PCR 19/20
Contract Tender Evaluation and Award	Approval and Award	Financial regulations,Contract reports,	◆◆◆	◆◆◆	PCR 2015 19/20
Contract Management	Cost Control and Payments	Business Plan, Ethical Procurement Policy, vendor create process, SAP controls	◆◆	◆◆	FM&CC 17/18, Spend review 2019, Individual contract management audits
Contract Management	Variation and Change Control	T&Cs, CM User Guide, Financial Regulations, Contract Manager controls	◆		Contract management audits
Contract Management	Social Value	Contract Reports, SV governance group, sv toolkit, 20% , member involvement in sign off, discussions at commissioning and contract managers meetings	◆◆◆◆	◆◆◆	Social Value 18/19, CM and Framework audits
Contract Management	Performance Monitoring	Criticality and RAG rating tool, contract manager user guide, KPIs within contracts,Bidders are now requested to include in the tender how the contract will be contract managed.	◆◆	◆◆◆	CM Audits (heat map)
Contract Management	Skills, Capacity and Capability	L&D budget available,CM User Guide	◆◆	◆	CM Audits (heat map)
Contract Management	Oversight and Assurance	Temperature and Criticality Tools, departmental dashboards	◆◆	◆◆	CM Audits (heat map)
Supply Chain Resilience	Performance and Monitoring			◆◆◆	CM Audits (heat map)
Supply Chain Resilience	Exit and Continuity Plans	Council T&Cs, Contract Managers role	◆◆◆	◆◆	Individual contract management audits
Re / de Commissioning	Set up / Exit Plans	CMgr User Guide, IC and Procurement support	◆	◆◆	Decommissioning Audit Review in progress
Re / de Commissioning	Performance and Cost Reviews	CMgr User Guide , IC support	◆◆		
Re / de Commissioning	Risk Management	CMgr User Guide, Business Plans	◆◆◆		
Re / de Commissioning	Approvals	Financial regulations, constitution	◆◆◆◆		Decommissioning review
Re / de Commissioning	Waiver Process	waiver sign off requirements, financial regulations	◆◆◆	◆◆◆	Waivers audit 15/16

Next Steps

Horizon Scanning – Indicative Ideas Only

Directorate Leadership Team and Chief Officer Risk and Assurance Meetings
Statutory Officer Risk and Assurance Meetings

Assessment of Other Sources of Assurance
Assessment of Risk and Assurance Priority



Development of Audit Scoping
Confirmation of Resource – Capacity and Skills Mix

Draft Plan (DLT and SMT) February 2020
Final Plan (SMT and Audit Committee) March 2020

Strategic Objectives
Safety and Welfare
Corporate or Key Directorate Risk
Organisational Change
Key Partnerships
Finance and Resources
Key Service Fulfilment
Statutory Duty

Known Control or Fraud Risk
Changes in management, structures or systems
Mandatory Legal / Funding Requirement for Audit