

**Manchester City Council  
Report for Information**

**Report to:** Audit Committee - 11 February 2020

**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 December 2019.

**Recommendations**

Audit Committee is requested to:

- 1 Consider and comment on the Internal Audit Assurance Progress Report to 31 December 2019.
  2. Confirm and approve 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 four 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 (12 November 2019)
- Internal Audit Progress Report (12 November 2019).

## 1. Introduction

1.1 This report provides a summary of the work of the Internal Audit Section from April to December 2019 including progress towards 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 third quarter of the year October to December. 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 Status At Q2</b>	<b>2019/20 Audit Plan Status At Q3</b>
Final Report	24	28	51
Draft Report	1	2	3
Fieldwork Completed		4	3
Fieldwork Started		10	16
Planning		7	13
Not started		38	15
<b>Totals</b>	<b>25</b>	<b>89</b>	<b>101</b>
Cancelled / Deferred / Re-scoped		14	20

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.

2.3 The table includes corporate counter fraud investigations where there is a proactive report issued but does not include all casework outcomes. The key focus of corporate fraud and investigation work is summarised in section nine for information however details and outturn is reported in more detail in an annual fraud report and the last report for 2018/19 was 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 The annual plan assumed 103 outputs in the year. As reported to Audit Committee at the end of quarter two this was revised to a plan of 89 outputs based on work cancelled, deferred or rescoped. At the end of quarter three the number of planned outputs has increased to 101. This is as result of:
- Seven additional audits added to the plan to respond to current risks and issues; offset by six audits proposed for cancellation, deferral or rescoping. A net increase of one audit.
  - Increase in planned outputs as the blocks of audit time assigned to areas of risk including the Our Town Hall Project and Schools Financial Health Checks have since been broken down to assignment level in line with plans.
- 2.5 Progress on delivery of the 2019/20 annual audit plan has been impacted by a number of factors as follows:
- Resource and timing requirements to complete a number of audits from the 2018/19 audit plan which were beyond assumptions made in the development of the 2019/20 plan. 25 audits from 2018/19 plan were finalised in the year to date.
  - Requests for additional audit support on specific unplanned areas.
  - Reduction in resourcing including two recent resignations at senior auditor grade which impacts on staff days available to year end. These posts are not planned to be filled with permanent postholders immediately as a service restructure is underway and permanent recruitment will therefore be made once this new structure is in place in quarter one 2020/21. This remains a key risk and focus for the Service.
- 2.6 Completion of the 2019/20 plan was therefore lower than expected at 49% at the end of the period (against a quarter three target of 70%) calculated using the original planned outcomes target of 103 against current delivered work of 51 final reports. There has been a further review of risk and resourcing to consider how to address the delivery gap. An additional temporary resource at senior auditor level has now been appointed to support delivery throughout quarter four.
- 2.7 It was agreed at Audit Committee in November 2019 that a number of audits would be cancelled, deferred or re-scoped particularly where there are alternative means of gaining assurance or there was a reasonable request from management to delay audit to a more appropriate time. The audit plan has been updated to reflect those agreed changes as a result. Some further changes have been proposed based on requests from the business and partners and these will be taken into account as part of a refresh of the audit plan. In particular, it should be noted that the following changes have been proposed:
- 2.8 **Defer. Joint audit of Manchester Health and Care Commissioning (MHCC) Commissioning Decisions.** At a joint audit planning session, management outlined progress being made by Manchester Clinical Commissioning Group (MCCG) and the Council in aligning the approaches to commissioning and decision making as part of MHCC. In their view joint audit work now would add less value because there are system and process

changes in progress that will need to embed; and there would be minimal value added from auditing a system that is in the process of being changed. It is proposed to complete the audit once these are fully operational. Details of the ongoing work will be provided by MHCC to allow Internal Audit to take interim assurance over progress made. We will then develop a scope of work with the newly appointed Deputy Director of Adult Social Services and MHCC audit colleagues for the 2020/21 audit plan.

- 2.9 **Defer. Integrated Delivery Teams and Adults Management Oversight / Supervision.** Due to limited resources and new priority work around Disability Supported Accommodation assigned in quarter four we propose to defer this audit to quarter one of 2020/21.
- 2.10 **New. Disability Supported Accommodation Service.** At the request of the Deputy Chief Executive and City Treasurer assurance work is being carried out over the effectiveness of control within the Disability Supported Accommodation Service to identify any areas for improvement. The work will consider the management and control over workforce spend where there is a forecast overspend of £3m (27% of the budget) in 2019/20.
- 2.11 The sections below describe the progress and overall summaries of assurances provided in this quarter against the agreed annual audit plan.
- 2.12 There are three limited assurance opinions arising from work in quarter three. Two of these relate to schools and are considered low risk/impact to the Council. The other relates to Data Privacy Impact Assessments which is considered by Internal Audit to be high risk/impact. Whilst the Accountable Officer for this audit is the City Solicitor as the Council's Senior Information Risk Officer, the issues relate to activity required across all directorates and will be overseen by the Corporate Information and Assurance Risk Group (CIARG). The City Solicitor will attend Audit Committee to explain actions being taken to respond to the issues raised through the audit.

### **3 Adult Services**

- 3.1 **MHCC Financial Framework Compliance (Appendix 2 ES1).** Internal Audit provided substantial assurance overall and raised only one moderate recommendation regarding the content of the financial reports which go to the MHCC Finance Committee and MHCC Board to ensure that they include all of the information which the Framework defined as 'integral' to reporting requirements.
- 3.2 **Adults Improvement Plan Governance (ES2).** Reasonable assurance was provided that the governance, monitoring and challenge arrangements in place can effectively support delivery of the Adults Improvement Plan. The framework for governance had been appropriately designed, including an Improvement Board that maintained oversight of progress and individual workstreams responsible for delivering elements of the plan. Three significant recommendations were made seeking to strengthen and ensure consistency across each of the workstreams delivering the Improvement Plan. These

related to the need to further clarify and simplify the types of actions included within the plan, to refine the provider services workstream into a more manageable number of clear actions and to refresh the Technology Enabled Care and workforce workstream plans using the standard template.

## **4 Children's Services**

- 4.1 **Planning for Permanence (ES3).** Reasonable assurance was provided over the implementation of the system for Planning for Permanence in line with legislation and policy. The revised policy was clear and articulated the steps required to ensure appropriate permanence planning. The policy had been cascaded to each of the localities and there was evidence that the policy and the expectations of staff were understood. However, we were unable to provide higher assurance because elements of the policy, in particular the Permanence Planning Meetings (PPM), were not all being undertaken in line with requirements and there was limited evidence recorded of these meetings taking place.

## **5 Education and Schools**

- 5.1 **Primary School Financial Healthcheck Audits (ES4 and ES5)** Internal Audit provided limited assurance to St Margaret's Primary School and made five significant risk recommendations and one critical risk recommendation to strengthen controls around expenditure and income. We raised concerns about the effectiveness of the School's compliance with the requirements of Schools Financial Regulations and Scheme of Financial Delegation in relation to purchasing. We provided reasonable assurance to Ringway Primary School and raised two significant recommendations, both relating to strengthening the School's procurement controls. When the audit work is completed for all the planned schools we will issue a summary report to bring together and assess key themes arising from the audits and lessons learned. Outcomes will be shared with all schools for information as necessary.

## **6 Corporate Core**

- 6.1 **GDPR Data Protection Impact Assessments (DPIAs) (ES6).** Internal Audit provided limited assurance over the Council's arrangements for the production of DPIAs. We were satisfied that sufficient guidance was available to managers and staff to support them in completing consistent and complete DPIAs. However, wider awareness of the requirements in this area was low, and arrangements to monitor compliance in this area were informal. We therefore made suggestions to improve awareness and the assessment of potential privacy risks through the Council's network of Senior Information Risk Officers within directorates.
- 6.2 **Recruitment and Selection (ES7).** Internal Audit provided a reasonable assurance opinion and no significant recommendations for improvement were identified. We were satisfied that the recruitment exercises reviewed were carried out in line with expectations and our recommendations were primarily

centred on the effectiveness of retention of associated documentation to ensure transparency of evidence to demonstrate decision making.

- 6.3 **Making Tax Digital.** We issued a briefing note outlining the progress made to support the Council's compliance with Making Tax Digital. We were pleased to note that compliance with the 2019/20 requirements was achieved and that there was a structured and proportionate plan for working towards the October 2020 requirements.
- 6.4 **Core Systems: Payroll Continuous Auditing (Q3).** We finalised our regular quarterly review of payroll data. We identified a small number of errors in processing which were rectified by payroll officers and there were no significant issues arising from the work.

## 7 Neighbourhoods and Growth and Development

- 7.1 **Section 106 (Planning Obligations) (ES8)** Over the last 12 months, there have been a number of development actions to provide improvements over the management of s106 agreements. Whilst these development actions were not fully implemented at the time of our fieldwork, we provided a reasonable assurance opinion on the overall systems of governance and control. We acknowledge that the planned improvements should significantly enhance the arrangements in place to monitor and deliver future s106 agreements.
- 7.2 **New. Local Growth Fund – Grant Certification.** Internal Audit certified grant totalling £5.97m received in respect of highways maintenance and improvement activities. In carrying out the certification we made recommendations (which did not affect the certification itself) around action to enhance record keeping and reconciliations which support spend which were accepted by management. None of those recommendations were assessed as critical or significant.

## 8 Procurement, Contracts and Commissioning (PCC)

- 8.1 **Contract Spend Review (ES9).** Internal Audit provided a reasonable level of assurance over the controls in place over contract related spend. We took assurance from the results of a questionnaire to contract managers that appropriate monitoring checks were taking place at individual contract level however we were less assured that there were controls in place to review contract performance at a corporate level. There was positive direction of travel in the number of contracts and level of information recorded on contract registers since our last review two years ago and evidence indicated that there was a greater alignment between forecast contract values and actual spend. This suggests that the increase in data and information is having a positive impact on control of spend however there is further work to be done to increase the accuracy and completeness of those records. We made a number of recommendations which when actioned should help to address risks around the links between contracts and spend, the management of

strategic suppliers and the accuracy and completeness of data within directorate contract registers.

8.2 **Modern Slavery: Safeguards within Contracts.** Internal Audit carried out a review to better understand the arrangements in place to safeguard against modern slavery risks within Council contracts. The outcome of this was reported as a briefing note to management. This assessment was based on a desktop review of key documents, responses received in a questionnaire to contract managers and clarification or further detail from key officers where relevant. Progress had been made in developing the Council's overarching framework and principles to address increased risks around modern slavery. In order to ensure that safeguards are sufficiently robust and to support development we made a number of suggestions specifically around leadership; improved access to strategy and policy; enhanced guidance for supplier checks; and sharing of initiatives and best practice to ensure appropriate steps are taken to prevent and detect modern slavery risks. We acknowledged that modern slavery risks are not limited solely to activity covered by contracts and supply chains and will assess areas for future assurance work in this area.

8.3 **Contracts Performance Management: Key Performance Measures.** We issued a briefing note which provided an overview of the current arrangements in place in relation to the setting and monitoring of key performance measures within Council contracts. This work was largely informed by the results of a contract manager questionnaire. Overall we took assurance from the results obtained and the level of guidance available to promote good contract performance management. However, there is more work to be done particularly for those contracts which do not have clearly defined key performance indicators (KPIs) and for contracts where KPIs were being not reviewed as a matter of routine.

## 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. As previously reported the details are usually provided in the Annual Counter Fraud report. A summary of key activity is as follows.

### Proactive

9.2 The external firm commissioned to review potential duplicate payments, VAT coding errors and unrecovered credit balances with suppliers has concluded the work with a total of £443k identified from review of five years of standard supplier payments undertaken over the last two years. An additional piece of work focused on telecommunications payments has now been commissioned.

9.3 The National Fraud Initiative continued 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 and there is continued value in the national exercise.

## **Reactive**

- 9.4 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**

- 9.5 Internal Audit has received 54 referrals of potential corporate fraud, theft or other irregularity in the year to date of which 11 were considered whistleblowing allegations made either anonymously or from a named source and were handled under the Council's Whistleblowing Policy and Procedure.
- 9.6 The nature of investigation work remained consistent including concerns raised in respect of a number of key risk areas including: staff conduct; contractor conduct and contract compliance; ethics and behaviours; employee compliance with procedures and thefts from schools.

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

- 9.7 A total of 38 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 147 referrals in the year to date. The service took steps to recover £25k of Council Tax Reduction overpayments and £239k 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.
- 9.8 Outcomes reported in the period include:
- A right to buy application (for a discount of £37,500) was successfully prosecuted at Magistrates Court in October 2019. This fraud by misrepresentation led to a sentence of 16 weeks custody suspended for 12 months, 150 hours unpaid work and costs awarded of £1k.
  - An investigation into allegations of social housing tenancy fraud involving subletting and a fraudulent housing application led to a guilty verdict at Magistrates Court in January 2020 and a sentence of 80 hours community punishment order and costs of £3k. An appeal has been made on this case.
- 9.9 As reported in the 2018/19 Annual Fraud Report, the Revenues and Benefits Service commissioned a third party provider to undertake a proactive data matching exercise to identify potential cases of Small Business Rate Relief

(SBRR) fraud within the City. This resulted in 40 cases being passed to Internal Audit for investigation. As a result of this work during 2019/20, retrospective changes to liability has resulted in an additional £142k being recovered and an increase in ongoing liability of £75k. One case is being progressed as a joint prosecution with another GM Authority.

## 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 February 2020 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 68%. This was slightly below the target of 70% but 10% higher than in the last period. A further 15% of recommendations were partially implemented at the time of assessment.
- 10.3 Outstanding recommendations fell from 32% to 17% however some of those recommendations are more than 12 months past the agreed due dates. Where there are significant issues in meeting deadlines and reducing exposure to risk those issues have been reported to Audit Committee for review. Some solutions in a number of cases are acknowledged to be complex linked to actions being progressed as part of wider service improvement programmes. These matters will remain under review. A separate report to Audit Committee provides further details.

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

Directorate	Number Due	Implemented	Partially Implemented	Referred Back to the Business	Outstanding
Corporate Core	18	13	3	0	2
Children's Services	16	12	1	0	3
Adult Services	25	11	6	0	8
Growth & Dvt and Neighbourhoods	16	15	1	0	0
<b>Total</b>	<b>75</b>	<b>51</b>	<b>11</b>	<b>0</b>	<b>13</b>
		<b>68%</b>	<b>15%</b>	<b>0</b>	<b>17%</b>

## 11. Recommendation

- 11.1 Audit Committee is requested to:

- Consider and comment on the Internal Audit Assurance Progress Report to 31 December 2019.
- Confirm and approve the proposed changes to the Internal Audit Plan 2019/20.

## Appendix One: Audit Status, Opinions and Business Impact

Audit Area	Audit Status	Assurance Opinion	Business Impact
<b>Children's and Families 2018/19 Brought Forward Work</b>			
Assessed and Supported Year in Employment (AYSE) 21.05.19	Delivered	Moderate ●	Not Set – 2018/19 audits
Schools Procurement (Thematic) 12.07.19	Delivered	Moderate ●	
Children's Services – Management Oversight and Supervisions 09.05.19	Delivered	Moderate ●	
Deprivation of Liberty Safeguards (DoLS) 03.05.19	Delivered	Limited ●	
Floating Support - Support to Homeless Citizens in Temporary (Dispersed) Accommodation 29.05.19	Delivered	Limited ●	
Adults Services – Management Oversight and Supervisions 05.04.19	Delivered	Limited ●	
Mental Health Casework Compliance 05.04.19	Delivered	Limited ●	
St Matthew's RC High School 03.05.19	Delivered	Limited ●	
Off Rolling of Pupils 06.06.19	Delivered	Moderate ●	
Manley Park Primary School 09.05.19	Delivered	Moderate ●	
Ofsted Improvement Plan 17.10.19	Delivered	Moderate ●	
Planning for Permanence 20.12.19	Delivered	Reasonable ●	
Manchester Local Care Organisation – Governance 11.09.19	Delivered	Limited ●	
Manchester Heath Care Commissioning – Financial Framework Compliance 17.10.19	Delivered	Substantial ●	
<b>Children's and Education Services 2019/20</b>			
St Peter's Catholic Primary School, Financial Health Check 05.09.19	Delivered	Substantial ●	Low
St Luke's C of E Primary School, Financial Health Check 11.10.19	Delivered	Substantial ●	Low
Ringway Primary School 18.11.19	Delivered	Reasonable ●	Low
St Margaret's Primary School 20.12.19	Delivered	Limited ●	Low
Free Early Education Entitlement (FEEE)	Fieldwork	Set at draft	High

Audit Area	Audit Status	Assurance Opinion	Business Impact
Early Help Delivery	complete		High
Schools Assurance Framework (Assurance Mapping)	Fieldwork	Set at draft	Medium
Adoptions Policy and Procedure	Planning		High
Children's Services: Quality Assurance Framework and Safeguarding and Improvement Unit			High
Schools Quality Assurance Framework			High
Safer Recruitment	Not started		High
Special Educational Needs (SEND)			High
SATs Quality Assurance Framework	Defer to Quarter 1 2020/21		
Post Ofsted Plan Monitoring	Cancelled Consider for 2020/21 audit planning		
Children's Services – Supervisions and Management Oversight – Follow Up	Re-scoped Included in recommendation monitoring		
<b>Adult Services, including MHCC and MLCO 2019/20</b>			
Adults Improvement Plan Governance 09.01.20	Delivered	Reasonable ●	High
Mental Health Casework – Follow Up	Draft	Set at Final	High
MHCC – Financial Sustainability Plan	Draft		High
Deprivation of Liberties – Follow Up	Fieldwork	Set at Draft	High
Manchester Services for Independent Living (MSIL)			High
Adults Social Work Casework Compliance			High
New: Supported Accommodation High Needs Decision Making			High
MHCC Governance Follow Up			Planning
Strength Based Approach (Adults Improvement Plan block)	Not started		High
Mental Health Panels			High
Health and Social Care Assurance Framework			High
MHCC Commissioning Decisions	Defer		High
Adults Services – Management Oversight and Supervisions – Follow Up	Defer		High
Integrated Delivery Teams	Defer		High
<b>Corporate Services Brought Forward Work 2018/19</b>			
Core Systems: Payments (SAP) 09.05.19	Delivered	Not set	Not set 2018/19

Audit Area	Audit Status	Assurance Opinion	Business Impact
Core Systems: Revenue Budget Monitoring 14.05.19	Delivered	Substantial ●	audits
Our Manchester VCS Grants – Outcome Monitoring 20.06.19	Delivered	Moderate ●	
GDPR – Post Implementation Review 20.06.19	Delivered	Substantial ●	
Risk Governance Assurance 24.05.19	Delivered	Substantial ●	
Data Centre Replacement 25.07.19	Delivered	Briefing note	
Our Manchester – Performance Management Framework	Delivered	Briefing note	
<b>Corporate Services 2019/20</b>			
Our Town Hall: Allocation of Work Packages 28.05.19	Delivered	Substantial ●	Assurance Review
Grant Certification: Greater Manchester Pension Fund 03.05.19	Delivered	Not applicable – non opinion audit work	
Core Systems: Payroll Continuous Audit (Q1) 12.07.19	Delivered		
Grant Certification: Carbon Reduction Commitment 26.07.19	Delivered	Grant Cert	Medium
Core Systems: Treasury Management 30.07.19	Delivered	Substantial ●	Medium
Grant Certification: Interreg ABCitiEs 31.7.19	Delivered	Not Applicable – non opinion audit work	
GSuite: Application Audit 10.09.19	Delivered	Reasonable ●	High
Core Systems: Payroll Continuous Audit (Q2) 9.10.19	Delivered	Not applicable – non opinion audit work Not set	
Cyber Security 18.10.19	Delivered	Not disclosed	High
Liquidlogic: Access Control 30.07.19	Delivered	Advice and Guidance	
Software Licensing: Follow up 11.10.19	Delivered	Follow Up Audit	
Data Protection Impact Assessments 1.11.19	Delivered	Limited ●	Medium
Recruitment and Selection 10.1.20	Delivered	Reasonable ●	Medium
Core Systems: Payroll Continuous Audit (Q3) 18.12.19	Delivered	Not applicable – no opinion audit work	

Audit Area	Audit Status	Assurance Opinion	Business Impact
Making Tax Digital 5.12.19	Delivered		
Core Financial Systems: Assurance Framework	Fieldwork	Set at Draft	Low
Digital Experience Programme (Block) Civica Pay Implementation			Medium
Grant Certification: URBACT C-Change			Low
Grant Certification: Interreg ABCitiEs (Jan 202)			Low
Our Town Hall: Cost Surety of Work Packages Construction Budget			High
Annual Governance Statement			Advice and Guidance
Corporate Core Transformation	Planning	Set at Draft	Low
Core Systems: Income (SAP)			Medium
User Experience Programme: Asset Management			Medium
Officer Decision Making: Recording			High
Core Systems: Payroll Continuous Audit (Q4)		Not Set	Medium
ICT Assurance Framework	Not Started	Not Set	Medium
Capital Project Management	Not Started	Discovery Review	
Our Town Hall: Incentive Model	Cancelled		High
Our Town Hall: Allocation of Work Packages	Defer		High
Capital Strategy: Governance	Re-scoped Included in Capital Programme Management		Medium
Core Systems: Revenue Budget Setting	Cancelled		Medium
Core Systems: Income (Other)			Medium
Core Systems: Council Tax			High
Workforce Development Planning			Medium
<b>Growth and Development and Neighbourhoods Brought Forward Work 2018/19</b>			
Highways Framework Contracts – Award, Payments and Performance 25.04.2019	Delivered	Moderate ●	Not set 2018/19 audits
Northwards Capital Project Management 25.06.2019	Delivered	Substantial ●	
Governance of City Centre Delivery	Draft	Moderate ●	
<b>Growth and Development and Neighbourhoods 2019/20</b>			
Neighbourhood Investment Fund	Delivered	Reasonable	Low

<b>Audit Area</b>	<b>Audit Status</b>	<b>Assurance Opinion</b>	<b>Business Impact</b>
02.09.19		●	
New: MSIRR (Regent Road) 1st Payment Review 15.05.19	Delivered	Briefing Note	High
New: MSIRR (Regent Road) 2nd Payment Review 14.06.19	Delivered	Briefing Note	High
New: MSIRR (Regent Road) 3rd Payment Review 26.07.19	Delivered	Briefing Note	High
New: MSIRR (Regent Road) 4th Payment Review 08.08.19	Delivered	Briefing Note	High
GM Road Activities Permit Scheme (GMRAPS) 15.10.19	Delivered	Reasonable ●	Medium
Section 106 (Planning Obligations) 17.12.19	Delivered	Reasonable ●	Medium
Disabled Facilities (Main) Grant Certification 08.10.19	Delivered	Not applicable – non opinion audit work	
Disabled Facilities (Additional) Grant Certification 08.10.19	Delivered		
Highways – Local Growth Fund Grant Certification	Delivered		
Highways Service: Programme and Project Management Assurance	Fieldwork	Set at Draft	High
New: MSIRR Regent Road Payment Irregularities			High
Leisure Contract – Performance Management Framework			Medium
NCP (Car Parking) Contract Replacement			High
Work and Skills			Medium
Trading Standards	Medium		
Residential Growth Strategy and Affordable Housing	Not started		High
Approach to Neighbourhood Delivery: Integrated Neighbourhood Teams			High
Approach to Recycling			High
Planning Applications			Medium
Management of Major Housing Developments within the City		High	
New: MSIRR (Regent Road) - Final Payment Review		High	
Highways Assurance Framework	Re-scoped		High



<b>Audit Area</b>	<b>Audit Status</b>	<b>Assurance Opinion</b>	<b>Business Impact</b>
Highways Investment Programme Plan	Replaced by Highways Programme and Project Management		High
Highways Service Redesign			Medium
Highways Contracts Financial Due Diligence	Re-scoped Engagement in Task and Finish Working Group		Medium
Casework Management: Flare Upgrade	Cancelled Pending tender exercise for replacement		Medium
<b>Procurement, Commissioning and Contracts (PCC) 2018/19 Brought Forward Work</b>			
Prevention and Detection of Procurement Fraud – Use of System Data 06.06.19	Delivered	Moderate ●	Not set 2018/19 audit
<b>Procurement, Commissioning and Contracts (PCC) 2019/20</b>			
PCC Assurance Framework 09.10.19	Delivered	Briefing note	N/A
Public Contracts Regulations Compliance 02.09.19	Delivered	Reasonable ●	Medium
Highways Framework Follow Up 17.06.19	Delivered	Implemented ●	Medium
Insurance Arrangements in Contracts Follow Up 18.06.19	Delivered	Implemented ●	Medium
Taxi Framework: Follow Up 26.09.19	Delivered	Implemented ●	Medium
Contractor Whistleblowing Arrangements Follow Up 18.07.19	Delivered	Implemented ●	Medium
New: Social Transport Route Allocation Advice 18.09.19	Delivered	Briefing Note	Medium
Contract Spend Review 10.12.19	Delivered	Reasonable ●	High
Modern Slavery: Safeguarding in Contracts 10.12.19	Delivered	Not set – Briefing Note	High
Contracts Performance Management Key Performance Indicators 10.12.19	Delivered	Not set – Briefing Note	High
Decommissioning Contracts: Leaving Care	Draft	Not set – Lessons Learnt	Medium
Framework Agreements: Award and Selection	Fieldwork	Set at Draft	High
Contract Management: Adults (Complex Needs)	Planning		Medium

Audit Area	Audit Status	Assurance Opinion	Business Impact
Factory Project			High
Factory Project Grant Certification			
Contract Governance Framework Agreements – Follow Up			
Contract Management: Children's Placements	Deferred for consideration in 2020/21		High
Contract Management: Block	Cancelled		High

## Appendix Two: Audit Report Executive Summaries (Opinion Audits)

The following Executive Summaries have been issued for audit opinion reviews finalised in the quarter and are attached below.

Reference in Appendix	Audit Area
ES 1	Manchester Health and Care Commissioning (MHCC): Financial Framework Compliance
ES 2	Adults Directorate: Adults Improvement Plan Governance
ES 3	Children's Services: Planning for Permanence – Progress on Implementation of New Policy
ES 4	School Financial Health Check: St Margaret's C of E Primary School
ES 5	School Financial Health Check: Ringway Primary School
ES 6	General Data Protection Regulations: Data Protection Impact Assessments
ES 7	Corporate Core: Recruitment and Selection
ES 8	Growth and Development Directorate - Planning, Building Control & Licensing: Section 106 Planning Obligations
ES 9	Integrated Commissioning – Corporate Core: Assurance Review - Contract Spend Review

<p><b>ES1 Internal Audit Report 2019/20</b>  <b>Manchester Health and Care Commissioning (MHCC): Financial Framework Compliance</b></p>
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Distribution - This report is confidential for the following recipients	
Rachel Rosewell	Head of Finance, Adult Social Care and Public Health, Responsible Officer
Carol Culley	Deputy Chief Executive and City Treasurer, Accountable Officer
Claire Yarwood	Chief Finance Officer (MHCC)
Joanne Downs	Associate Chief Finance Officer (MHCC)
The final report will also be issued to the following	
Nick Gomm	Director of Corporate Affairs (MHCC)
Louise Cobain	Assistant Director (MIAA)
Ali Hashmi	Audit Manager (MIAA)
Councillor Bev Craig	Executive Member, Adult Services
Joanne Roney	Chief Executive
Janice Gotts	Deputy City Treasurer
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Draft Report Issued	9 August 2019
Final Report Issued	17 October 2019

## Executive Summary

Audit Objective	Assurance Opinion	Business Impact
To provide assurance over compliance with financial framework requirements, specifically in relation to financial monitoring and reporting.	Substantial	Medium

Sub objectives that contribute to overall opinion	Assurance
Timeliness, accuracy and content of financial reporting	Reasonable
Identification and reporting of variances to inform management action	Substantial
Reporting into and out of MCC and MHCC	Substantial

Key Actions	Risk	Priority	Planned Action Date
Any changes agreed that affect the Adult Social Care cashlimit budget in scope for Manchester Local Care Organisation will be highlighted in the monthly report on an exceptional basis. Greater transparency on the gross and net position will be included in future reports.	Moderate	12 months	30/11/19

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. Manchester Health and Care Commissioning (MHCC) is responsible for commissioning health, adult social care, and public health services for the City under a single integrated care budget (ICB). MHCC's Financial Framework sets out the detailed financial arrangements for operation of this ICB. We agreed that in the first

full year of its operation, we would provide assurance over compliance with an aspect of the financial framework; we agreed with the Head of Finance, Adult Social Care and Public Health and the Associate Chief Finance Officer (MHCC) that this audit would focus on financial monitoring and reporting.

1.2. Our work considered the production and delivery of the suite of financial monitoring reports for a sample of months in 2018/19, and focused on aspects of the ICB that related to Council duties and accountabilities.

## **2. Conclusion and Opinion**

2.1. Overall we can provide **substantial** assurance over compliance with the financial monitoring and reporting aspects of the Financial Framework. We considered there were strong systems and controls in place within the Council to support timely and accurate delivery of financial reporting to MHCC, with appropriate identification and reporting of variances.

2.2. We have raised one moderate recommendation regarding the content of the financial reports which go to the MHCC Finance Committee and MHCC Board to ensure that they include all of the information which the Framework defined as 'integral' to reporting requirements.

## **3. Summary of Findings**

### **Key Areas of Strength and Positive Compliance**

3.1. Finance Committee and Board meetings were held as expected in line with the Framework's monthly reporting timetable. Each Finance Committee received an Adult Social Care (ASC) finance position report, and a Joint (combined health and social care) finance position report. The Board received only the Joint finance position report, the contents of which differed slightly from the Finance Committee's version in that there was less detail in some areas, plus some additional high level reports, such as the Health Assurance Framework.

3.2. The monthly reporting timetable defined the dates on which financial reports were to be distributed in advance of the meetings. We found that these timescales were for the most part met. Because the Council's production timetable does not align with the Finance Committee schedule, the ASC financial reports were always reported to MHCC one month in arrears.

3.3. We were able to validate the accuracy of a sample of actual spend figures in the ASC finance position report back to the financial accounting system (SAP). Where projected outturn differed significantly from pro-rated actual spend, we were provided with clear and reasonable explanations of how the projections were calculated. It is intended that the implementation of Liquid Logic / ContrOCC, currently in progress, will enable more financial data to flow directly from the system to the reports, with fewer manual adjustments necessary.

3.4. In both the ASC report and the Joint report, variances were a key focus of the narrative discussion. The reports highlighted how the variances had changed from

the previous month's report; that is, whether the year-end overspend had grown or shrunk since the last report. Narrative explanations on the reasons for the changes were provided where known.

3.5. The ASC finance position report, which was submitted to MHCC Finance Committee each month and which fed into the Joint report, was also routinely shared with the Council's Adults Management Team, and in summary form to Executive. The year-end (period 12) report was properly reported to Audit Committee and Resources and Governance Scrutiny.

3.6. Both MHCC Finance Committee and MHCC Board included representatives from the Council. The minutes evidenced that a discussion of the financial position took place at each meeting. This included the reasons for any changes in the overall position month to month, where pressures were arising and agreed actions being taken. The Finance Committee maintained an action log to track and ensure agreed actions were completed.

### **Key Areas for Development**

3.7. We were not able to confirm that all of the reports which the Framework defines as 'integral' were included in the suite of reporting that was presented to the MHCC Finance Committee and Board. In particular, the Framework required that expenditure and income figures and the ratio of income to expenditure where applicable were reported. There was some inconsistency among the four months' reports we sampled: gross, income and net figures were included in the ASC finance position reports for periods 8 and 9, but only net figures were included in periods 10 and 11. None of the Joint finance position reports to Finance Committee and Board included income and expenditure. In addition, changes to the approved budget were not always noted or explained. Although our focus was on the Council-controlled elements of the reporting, we noted that the Joint reports also excluded actual figures, and similarly did not note or explain changes to the annual health budget.

**ES2 Internal Audit Report 2019/20**  
**Adults Directorate: Adults Improvement Plan Governance**

**Distribution - This report is confidential for the following recipients**

Tracy Cullen	Assistant Director – Adult Social Care, Responsible Officer
Paul Covell	Assistant Director – Adult Social Care, Responsible Officer
Glyn Syson	Assistant Director – Adult Social Care, Responsible Officer
Bernadette Enright	Executive Director of Commissioning & Director of Adult Social Services, Accountable Officer
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Sarah Broad	Strategic Lead Business Change
Karen Crier	Strategic Programme Lead, Health and Social Care Integration
Kath Smythe	Social Care Workforce Transformation Lead
Councillor Craig	Executive Member, Adult Services
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**Report Authors**

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Draft Report Issued	21 November 2019
Final Report Issued	9 January 2020

**Executive Summary**

<b>Audit Objective</b>	<b>Assurance Opinion</b>	<b>Business Impact</b>
To provide assurance that the governance, monitoring and challenge arrangements can effectively support delivery of the Adults Improvement Plan.	Reasonable	High

<b>Sub objectives that contribute to overall opinion</b>	<b>Assurance</b>
The framework for governance is appropriately designed to support delivery of the plan	Substantial
Roles and responsibilities are clearly defined, understood and discharged in line with expectations	Reasonable
Progress is being accurately and sufficiently monitored and challenged, leading to risk-based prioritisation and decision	Reasonable

making	
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Key Actions	Risk	Priority	Planned Action Date
The Strategic Lead Business Change should re-evaluate the 'action type' categories and how these can be clarified and simplified. For example, each action could be assigned a priority level (1/2/3) to indicate whether it is currently an area of active focus. We recommend that the workstream leads include an update on each action of the highest priority level in the highlight reports.	Significant	6 months	31 March 2020
The workstream lead for Provider Services and the Improvement Board should collectively agree on a manageable number of improvement actions, ensuring that these align with the Risk Register and agreed areas of focus. These could be either cross-cutting, specific to individual services, or a combination of both. This should be of a size to allow the entire workstream or thereabouts to be reviewed at a workstream meeting, and updates on all of the highest priority actions should be reported onwards to the Improvement Board, which would better enable oversight and focus on key priorities.	Significant	6 months	30 April 2020
The TEC and Workforce workstream plans should be refreshed using the standard template, which allows for increased clarity over action owners, target timescales, and updates on current status. The workstream leads should ensure these are regularly reviewed and kept up to date and use these to inform the highlight reports.	Significant	6 months	30 April 2020

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 Adult Social Care has been experiencing long-standing challenges associated with increase in demand across all services and a number of fundamental service provision concerns have come under significant scrutiny. The Adult Social Care Improvement Plan was established in October 2018 to address these challenges by ensuring that the basics are in place to deliver high quality services while adapting to a broader health and social care reform programme.

1.2 As such, successful delivery of the Improvement Plan is critical for the success of the health and social care reform and integration efforts, and is reliant on there being robust governance, monitoring and challenge arrangements in place.

1.3 Due to the Improvement Plan's links to the Council's delivery of statutory duties, which impacts on control and management of significant corporate risks, this programme of work is considered to be high impact. The agreed audit focused on the governance framework arrangements in place to enable delivery and did not include assessment of specific deliverables.

## 2 Conclusion and Opinion

2.1 Overall, we can provide **reasonable** assurance that the governance, monitoring and challenge arrangements in place can effectively support delivery of the Adults Improvement Plan.

2.2 The framework for governance had been appropriately designed, including an Improvement Board that maintained oversight of progress. There were a number of workstreams underpinning delivery with assigned workstream leads whose role was to oversee key elements of the plan and to drive individual actions forward. The Improvement Board reported on progress against the agreed aims of the Improvement Plan both internally to Senior Management Team (SMT) and externally to MHCC and MLCO, as well as to the Health and Wellbeing Board and Health Scrutiny Committee.

2.3 Roles and responsibilities had been clearly defined for the Improvement Board and it was appropriately constituted with individuals empowered to take actions or seek support for action. Roles and responsibilities were less formally defined for the workstreams but we found that they were clearly understood in practice.

2.4 Action plans were in place for each workstream as expected however there were some issues with the content, completeness, and accuracy of some of the plans. They did not always identify responsible owners and/or timescales and priority levels for individual actions, and some were overly complicated or appeared to be out of date and in need of refresh. Updates on progress were not consistently recorded for all actions, although overall we found that actual progress was further advanced than the information recorded.

2.5 We reviewed the workstreams that were fully operational at the time of our fieldwork, specifically: the Assessment Function; Safeguarding and Quality

Assurance (QA); Provider Services; Technology Enabled Care (TEC); and the Workforce. The Plan has continued to grow and evolve since its inception, and two newer workstreams, on the Front Door, and Commissioning and Contracting, were in early stages of development and so were not considered in our work.

### **3 Summary of Findings**

#### **Key Areas of Strength and Positive Compliance**

3.1 There was a timetable for each workstream to provide a 'highlight' report to the Improvement Board, and our review confirmed that these had been produced and reviewed in line with the schedule. There are no documented minutes of Improvement Board meetings, but a log is kept of actions and decisions, with all actions assigned owners and timescales which are monitored until complete. We attended one Improvement Board meeting and considered there was an atmosphere of honest dialogue wherein challenges and sticking points were properly scrutinised openly and productively, whilst also recognising achievements and milestones delivered.

3.2 Interviews with each of the workstream leads confirmed that each was confident in their role, understanding expectations of them and their teams. Some leads had set up the workstream groups more formally with terms of reference, agendas and minutes, which added clarity, and some had sub-groups within the overall workstream to drive actions forward. Each lead chaired a regular meeting of the workstream group and attendance at each group was stable but also flexible in response to need.

3.3 Methodologies for documenting planned actions, responsibility and timescales, and updates on progress varied significantly between workstreams. These were more robust and comprehensive for the two workstream groups which received more direct support from the Business Change Team: Assessment Function, and Safeguarding and Quality Assurance.

3.4 We attended one meeting of the Assessment Function workstream and could see links between the action plan, discussion and decisions that took place at the meeting, and the contents of the next highlight report to the Improvement Board. We could also readily align the Safeguarding and QA workstream's highlight reports with the workstream plan, including identification of specific actions that were 'not on track' or 'partly on track'. This provided assurance that the Improvement Board was sighted on progress and challenges of the agreed actions.

3.5 There were clear links between the Adults' Risk Register and the Improvement Plan, indicating that improvement actions were being focused on the areas of greatest risk as identified collaboratively with the Council's Risk Team.

3.6 Progress on the delivery of the Improvement Plan was effectively reported to stakeholder organisations on both a routine and ad hoc basis. To minimise the demands on staff time in creating those reports, the Strategic Lead Business Change had devised an effective system to create summary reports from the most recent set of highlight reports, and to re-purpose existing reports for different

audiences. A forward plan had recently been developed pick up on all anticipated information requests to reduce the demand on staff time in producing ad hoc reports on short-notice. We support this action.

### **Key Areas for Development**

3.7 Each action on the Plan was given an 'action type' which could be either 'priority', 'longer term' or 'evidence gathering'. Discussion with each of the workstream leads identified that there was an inconsistent understanding of 'priority' versus 'longer term' and whether and how these related to target completion dates. We have recommended that this rating system should be clarified and that updates on each action of the highest priority level are included in the workstream highlight reports to ensure the Improvement Board have consistent oversight of the highest priority actions.

3.8 The Provider Services workstream was in our view ambitiously scoped with over 250 improvement actions identified across multiple service areas. Each Service Lead was tasked with identifying improvement actions and managing delivery of these within a linked service area plan. Some service areas' plans were complete and up-to-date, but overall there were many gaps in the detail of individual actions in terms of responsible owners, timescales and priority levels, and lack of updates on progress. The workstream lead acknowledged that finding sufficient time to review the plan was a challenge given its size. Although it was clear that lots of improvement work was going on in this area, we found it difficult to see the connection between what was being reported in the highlight reports and what was on the Improvement Plan. To enable greater focus on key deliverables we have recommended that the workstream lead and Improvement Board collectively agree on a manageable number of improvement actions to better enable oversight and maintain focus on key priorities.

3.9 Both the TEC and Workforce workstreams had departed from the standard template for setting and monitoring individual actions. Those workstreams were supported by project managers from the Transformation Team, and had adopted differing methodologies. Both workstreams were more formally governed with set agendas and minutes, and the TEC workstream had a number of sub-groups that reported up into it. However, the documented workstream action plans did not reflect the current positions and both were in fact much further advanced than the plans had suggested. Both workstream leads produced thorough and regular highlight reports, but as with the Provider Services workstream, we could not confirm that what was being reported was in line with expectations because it was difficult to see the links back to the Improvement Plan. We have recommended that both of these workstream plans be refreshed using the standard template to improve clarity and ease of oversight.

**ES3 Internal Audit Report 2018/19****Children's Services - Children's Social Care****Planning for Permanence – Progress on Implementation of New Policy****Distribution - This report is confidential for the following recipients**

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Sean Walsh	Head of Locality (North)
Kim Scraggs	Head of Locality (Central)
Abu Siddique	Head of Locality (South)
Paul Marshall	Director of Children's Services
Councillor Bridges	Executive / Cabinet Member
Joanne Roney	Chief Executive
Carol Culley	Deputy Chief Executive and City Treasurer
Janice Gotts	Deputy City Treasurer
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Draft Report Issued	08 October 2019
Final Report Issued	20 December 2019

**Executive Summary**

<b>Audit Objective</b>	<b>Assurance Opinion</b>	<b>Business Impact</b>
To provide assurance over the implementation of the system for Planning for Permanence in line with legislation and policy.	Reasonable	High

<b>System / Risk Sub Objectives</b>	<b>Assurance</b>
Strategy, Governance and Oversight arrangements are appropriate.	Substantial
Plans and processes are in place to enable the new approach to be embedded.	Reasonable
There is compliance with procedures including that roles and responsibilities are being discharged consistently.	Reasonable

Management information systems are in place to support monitoring, challenge and decision making and inform performance management and reflective learning.	Reasonable
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Key Actions	Risk	Priority	Planned Action Date
Locality Managers should confirm which staff in their locality have not received any training or briefings on the policy and consideration should be given to running some additional events for those who have not yet been trained.	Significant	6 months	1 April 2020
The Permanence Improvement Board should review the impact of the initial roll out of the policy and to address any key issues, such as those identified in our review. In particular, focus should be given to Permanence Planning Meetings (PPM) and how arrangements can be revised to make them more achievable. Requirements of PPM should be included, where applicable, in the Children's Quality Assurance framework to ensure a level of consistency across each locality.	Significant	6 months	1 April 2020
Further performance measures should be developed to assess the effectiveness of permanence planning and then incorporate these in the Permanence score card.	Significant	6 months	1 April 2020

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 Manchester City Council has a legal duty to develop a 'Plan for Permanence' for all looked after children (LAC) within its care. The revised policy, implemented in November 2018, outlines the process and timescales required to ensure compliance with national guidelines and the Children and Social Work Act 2017.

1.2 We agreed with management that, given the policy is relatively new and is still embedding across the service, that a developing system audit would be helpful in

providing assurance over the developing arrangements whilst also providing actions, where necessary, to further embed arrangements.

## **2. Conclusion and Opinion**

2.1 Overall, we can provide **reasonable** assurance over the implementation of the system for planning for permanence in line with legislation and policy. The revised policy itself is clear and articulates the steps required to ensure appropriate permanence planning. The policy has been cascaded to each of the localities and there is evidence that the policy is understood, as are the expectations of staff. Elements of the policy, such as the tracker meetings, are becoming embedded in operational arrangements at each locality and from discussions with staff there was a growing awareness of the importance of prioritising permanence from the outset.

2.2 However we are unable to provide higher assurance at this stage given that elements of the policy, in particular the Permanence Planning Meetings (PPM), are not all being undertaken in line with the requirements of the policy. For the sample of cases we reviewed there was limited evidence of these meetings taking place in line with the policy. Interviews with staff confirmed that they were struggling to find the time and resources to plan, hold and document these meetings. However this was not representative across all localities in that it was evident that PPMs are well embedded in some localities in comparison to others.

2.3 Engaging with other services such as the Fostering Service, who are required to attend these meetings is proving difficult due to limited resources and busy schedules. Whilst we accept that supervision meetings were being used to facilitate some of these discussions, these do not achieve the multi-agency input which the PPMs were designed to achieve.

## **3. Summary of Findings**

### **Key Areas of Strength and Positive Compliance**

3.1 The planning for permanence policy is clear and concise and is readily available to staff. Interviews and questionnaires demonstrated that there are positive levels of policy awareness amongst staff, key elements are understood, as are its principles and objectives. It was also clear that staff recognise the importance of the new approach and the benefits for children if permanence planning is undertaken correctly.

3.2 Testing confirmed compliance across a number of key requirements, in particular permanence plans were being developed, reviewed and retained and the tracker meetings were taking place. Tracker meetings are chaired by senior management and we found timely management oversight and challenge of individual cases. Google sheets retained to support these tracker meetings demonstrate this oversight and challenge. Staff interviewed also talked positively about the usefulness of tracker meetings.

### **Key Areas for Development**

3.3 Work needs to be completed to ensure staff, particularly new staff, across all three localities have been fully briefed to support the continued roll out of the new permanence planning policy.

3.4 Our sample testing of cases identified some inconsistencies regarding the maturity and embedding of new arrangements around the Permanence Planning Meetings (PPMs). Records did not show these meetings taking place in line with the policy requirements and some staff confirmed in interviews that they really struggled to arrange, hold and document them given the competing priorities for themselves and partners. These meetings and their proposed agendas are a key element of the new permanence planning arrangements. We recommend that the Permanency Improvement Board review the impact of the initial roll out of the policy and address any key issues identified. Particular focus should be given to Permanence Planning Meetings (PPM) and ensuring all staff are fully conversant with the aims and objectives of these meetings and can create the conditions for better practice in this area.

3.6 Planning for Permanence does have a 'permanence scorecard' in place that reports activity across the permanence service but does not include targets. The Permanence Lead should work with PRI to develop performance indicators and enable Liquid Logic to provide a platform to record them. In terms of key performance indicators the only one used in relation to permanence planning is that 'each child is to have a Permanence Plan in place by the second LAC Review'. This KPI is now at 100%. Consideration should be given to developing more performance measures around permanence planning to enable management to assess whether new arrangements are having the desired impact on service delivery and outcomes for children and to assess the overall effectiveness of permanence planning arrangements.

**ES4 Internal Audit Report 2019/20  
School Financial Health Check  
St Margaret's C of E Primary School**

**Distribution - This report is confidential for the following recipients**

Alison White	Head Teacher, Responsible Officer
Mark Slater	Chair of Governors, Accountable Officer
Jennifer Miller	School Business Manager
Councillor Bridges	Executive Member for Children and Schools
Joanne Roney	Chief Executive
Carol Culley	Deputy Chief Executive and City Treasurer
Fiona Ledden	City Solicitor
Paul Marshall	Strategic Director, Children's and Education Services
Amanda Corcoran	Director of Education & Skills
Reena Kohli	Directorate Finance Lead, Children's Finance
Isobel Booler	Strategic Head of Schools QA & SEND
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**Report Authors**

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Lead Auditor	Emma Maddocks	234 5269
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Draft Report Issued	15 November 2019
Final Report Issued	20 December 2019

**Executive Summary**

<b>Audit Objective</b>	<b>Assurance Opinion</b>	<b>Business Impact</b>
To provide assurance to the governing body and the Local Authority over the adequacy, application and effectiveness of financial control systems operating at your school.	Limited	Medium

<b>Sub objectives that contribute to overall opinion</b>	<b>Assurance</b>
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.	Limited



Key Actions	Risk	Priority	Planned Action Date
<p>The governing body should ensure that its meetings are scheduled to coincide with key milestones in the annual financial management cycle, such as approving the budget plan.</p>	Significant	6 months	Full GB Mtg. – 9 Dec 2019
<p>The Head Teacher and governing body should ensure that the timetable and procedures for constructing the School Development Plan and the budget are in alignment and that each covers at least 3 years.</p>	Significant	6 months	3 April 2020
<p>The Scheme of Financial Delegation should be clarified in regards to thresholds and approval procedures for budget changes above the Head Teacher’s current limit of £20k. We recommend that all budget changes be ratified (if within the Head Teacher’s limit) or approved (if above the Head Teacher’s limit) by the governing body or Finance Committee and the minutes should clearly evidence this. The School Business Manager should ensure that any proposed budget changes have been authorised in line with the Scheme prior to being input into the financial management system.</p>	Significant	6 months	Gov. Finance Committee 22 Jan 2020
<p>The School Business Manager should ensure that all purchases fully comply with Schools Financial Regulations and the school’s own financial procedures, in particular that:</p> <ul style="list-style-type: none"> <li>• Orders are authorised and raised on the system prior to commitment to purchase being made with the supplier (any ongoing issues should be escalated to the Head Teacher to address with members of staff directly).</li> <li>• Delivery notes or invoices should be clearly annotated to confirm satisfactory receipt of the goods or services.</li> <li>• There is separation of duties between the individuals approving purchases, certifying receipt, and</li> </ul>	Significant	6 months	20 Dec 2019

Key Actions	Risk	Priority	Planned Action Date
authorising the invoice for payment.			
The School Business Manager should ensure that a register of all existing contracts and Service Level Agreements (SLA) is created, including the total value and end dates of existing agreements. This will help to ensure that quotation or tendering exercises can be planned well in advance. This should be shared with governors annually so that they are aware of planned retendering exercises that may need their input and approval, depending on the value. For SLAs that are agreed annually but for which continuity of service is valued, such as the Educational Psychologist, governors should agree a frequency for periodically market testing the service (for example every three years).	Critical	3 months	Gov. Finance Committee 22 Jan 2020
The Head Teacher and School Business Manager should consider the options for ensuring that there are robust source records of all cash income. We recommend reducing cash transactions by promoting or requiring use of the cashless payment system. For remaining cash income, we recommend use of a drop-box. The School Business Manager should ensure that the source records are checked against the total amounts prepared for banking and this check should be clearly evidenced (sign and date).	Significant	6 months	3 April 2020

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 2019/20 Internal Audit plan included an allocation of time to complete financial health checks at a sample of Local Authority maintained schools. We

agreed to include St Margaret's C of E Primary School in our audit programme due to the length of time elapsed since the previous audit (2011).

## **2. Conclusion and Opinion**

2.1 We are able to provide **limited** assurance over the adequacy, application and effectiveness of financial control systems operating at your school.

2.2 Although we are satisfied that some of the key financial controls are operating effectively, we identified one critical and five significant areas of risk, which prevent us from providing a higher assurance opinion at this time. The Scheme of Financial Delegation and Financial Procedures Manual document key financial controls, delegations and approvals. We are satisfied with the Head Teacher's and governing body's involvement in the financial management of the school. We provide reasonable assurance overall for three of the five areas tested and have identified a number of areas of good practice.

2.3 However, we offer limited assurance over controls around expenditure and income, and in particular have concerns over the school's compliance with Schools Financial Regulations and the school's own procedures and Scheme of Financial Delegation in relation to purchasing. We have raised one critical and two significant risk recommendations in these areas. We were particularly concerned over the degree to which purchases were not being raised on the school's Financial Management System (FMS) prior to the invoice being received from the supplier, and the lack of quotations / competitive tendering for high value purchases.

2.4 We recommend immediate improvements over cash receipting to ensure a robust record of all cash income is maintained, sufficiently detailed to enable an independent reconciliation to the amounts banked.

## **3. Summary of Findings**

### **Key Areas of Strength and Positive Compliance**

3.1 The Scheme of Financial Delegation and Operational Financial Procedures Manual provided clarity over roles and responsibilities for key controls and procedures. Although we identified some areas that need further expansion or revision, overall the procedures were clear and comprehensive.

3.2 We were satisfied that there was a robust level of financial scrutiny by the Finance Committee. We could see that the Head Teacher reviewed financial information regularly, but records to evidence this were informal, so we have suggested these checks are signed and dated.

3.3 Bank reconciliations were performed in a timely manner and had been reviewed by the Head Teacher. All sampled payroll amendments and additional hours claims were accurate.

3.4 Controls over the use of debit cards were robust. We have recommended including the supporting documentation with the bank reconciliations to improve oversight.

3.5 Cash receipts for dinner money were logged and reconciled to the weekly banking records. We have made a suggestion to improve the efficiency of how dinner money receipts are recorded.

### **Key Areas for Development**

3.6 We have made one critical and five significant risk recommendations. Three relate to improving high level governance of the school, specifically:

- ensuring governing body meetings align to key financial milestones;
- the need for a three-year School Development Plan which links to the three-year budget; and
- changes to the budget have the necessary oversight and approval.

3.7 Two recommendations relate to procurement; we were concerned over the lack of compliance with procurement procedures. Too frequently, staff were arranging supplies and services directly with suppliers, meaning that orders were not subject to formal written advance authorisation. This increases the risk of inappropriate purchases, poor value for money, and loss of budgetary control due to over-commitments. In addition, none of our sample of five high value purchases were supported by alternative quotes or tendering exercises as required. Too many contracts and SLAs had been allowed to roll over year on year without market testing to confirm value for money.

3.8 Finally, we were concerned over the lack of robust source records for cash receipts other than for dinner money. The school has a cashless payment system but still accepts a significant amount of cash at the start of the year for after school clubs and milk. We were unable to confirm that the money was banked in full, as the source records were incomplete. This leaves the school vulnerable to loss of income, and also exposes staff to allegations of wrongdoing.

**ES5 Internal Audit Report 2019/20  
Schools Financial Health Checks  
Ringway Primary School**

**Distribution - This report is confidential for the following recipients**

Name	Title
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Draft Report Issued	29 October 2019
Final Report Issued	18 November 2019

**Executive Summary**

Audit Objective	Assurance Opinion	Business Impact
To provide assurance to the Governing Body and the Local Authority 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	Substantial
Long term financial planning, budget approval and monitoring	Substantial
Key financial reconciliations	Substantial
Expenditure, specifically purchasing and payroll	Limited
Income collection and recording	Substantial

Key Actions	Risk	Priority	Planned Action Date
<p>The School Business Manager should ensure that all purchases fully comply with Schools Financial Regulations and the school's own financial procedures, in particular that:</p> <ul style="list-style-type: none"> <li>• Orders are authorised and raised on the system prior to commitment to purchase being made with the supplier;</li> <li>• All orders, unless there is any case of dispute, are paid within 30 days of the invoice date; and</li> <li>• If the invoice is for a higher value than the order, any additional expenditure should be signed off by an authorised signatory prior to payment being made.</li> </ul>	Significant	6 months	31/12/2019
<p>The Head Teacher should ensure that for all higher value purchases where the school does not obtain the requisite number of quotations that the reason for this is reported to the Governing Body. Any reasons for not obtaining the necessary quotations should be in line with the exceptions outlined in Schools Financial Regulations.</p> <p>The Head Teacher should ensure that where a decision is taken to raise call off orders for small packages of work within a larger annual package that this is competitively tendered at the start of the year.</p> <p>In the current year, once the total value of the existing call off order for the plumbing and building supplier has been reached, a competitive exercise should be completed for any further work.</p>	Significant	6 months	31/3/2020

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 2019/20 Internal Audit plan includes an allocation of time to complete financial health checks at a sample of Local Authority maintained schools. We agreed to include Ringway Primary School in our audit programme due to the length of time elapsed since the previous audit.

## **2. Conclusion and Opinion**

2.1 We are able to provide **reasonable** assurance over the adequacy, application and effectiveness of financial control systems operating at Ringway Primary School.

2.2 Overall, we are satisfied that the majority of key financial controls have been well designed and are operating effectively. The scheme of delegation and financial procedures clearly document key financial controls, delegations and approvals and overall we are satisfied with the Head Teacher's and Governing Body's involvement in the financial management of the School. We have provided substantial assurance overall for four of the five areas tested and have identified a number of areas of good practice.

2.3 However, we are only able to provide limited assurance over expenditure and in particular have concerns over the schools purchasing arrangements. We have raised two significant risk recommendations in this area and this has prevented us from providing higher overall assurance at this stage. We are concerned that for half of the sample of purchases tested the order has not been raised on the FMS system prior to the invoice being received from the supplier. We also consider that the controls over high value procurement could be improved to demonstrate best value and to show compliance with the Schools Financial Regulations.

## **3. Summary of Findings**

### **Key Areas of Strength and Positive Compliance**

3.1 The Scheme of Financial Delegation and financial procedures clearly documented key financial controls, approvals and delegation limits, and these were in line with actual practice. The current year School Development Plan clearly linked to the budget. There was evidence of Governing Body involvement on a timely basis in approving key documents and overseeing budget setting and monitoring.

3.2 We were satisfied with controls in operation over key reconciliations, including bank, payroll and income reconciliations. Separation of duties across key financial systems was sufficient. Purchases were approved in line with delegated limits in the Scheme of Financial Delegation.

3.3 There was very little cash income received, and where cash was received, controls were generally sound with appropriate separation of duties and documentation to support banking.

### **Key Areas for Development**

3.4 We have made two significant risk recommendations, both relating to the schools purchasing and procurement arrangements. We are concerned that half of the sample of ten purchases tested had been raised as confirmation orders once the invoice had been received from the supplier. This meant that the commitment to spend had not been approved or been input to the school's financial management system prior to the purchase being made with the supplier in line with procedure.

3.5 We have also raised concerns over aspects of the school's approach to higher value purchasing. Three quotations were not obtained for any of the five higher value purchases we tested, as required by Schools Financial Regulations. For three of the purchases, we were satisfied with the reasons for not obtaining three quotations, however we would expect any such exceptions to be reported to and approved by the Governing Body and this had not happened. For the remaining two purchases, we do not consider sufficient procurement exercises had been undertaken. For one, only two quotations had been received. For the other, the school raised a call-off order with a supplier for various works at the school over the year and we confirmed that both the individual purchase and the overall order were above the higher value threshold. The school had not undertaken any kind of competitive tendering or comparison of costs with other suppliers in appointing this supplier.

3.6 We make a number of moderate and minor risk recommendations to address individual instances of non-compliance and to help strengthen existing controls.



**ES6 Internal Audit Report: 2019/20**  
**Corporate Core: Legal Services**  
**General Data Protection Regulation – Data Protection Impact Assessments**

**Distribution - This report is confidential for the following recipients**

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Draft Report Issued	16 October 2019
Final Report Issued	1 November 2019

**Executive Summary**

<b>Audit Objective</b>	<b>Assurance Opinion</b>	<b>Business Impact</b>
To provide assurance over the Council's arrangements for the production of DPIAs.	Limited	High

<b>System/Risk Objectives</b>	<b>Assurance</b>
Council systems support the proactive identification of the requirement for a DPIA to be undertaken.	Reasonable
Operational working practices support the consistent and complete production of DPIAs, in line with Council policy.	Reasonable

DPIAs are produced and agreed on a timely basis, supported by relevant sources of information.	Limited
Management information supports the active management of compliance with DPIA legislation.	Limited

Key Actions	Risk	Priority	Planned Action Date
Ensure that the data protection communications plan includes messages to address the awareness gaps identified in our audit. The plan should be presented to CIARG for review and approval.	Significant	6 months	30 April 2020
Provide support to facilitate the completion of a DPIA for each project included in the audit.	Significant	6 months	30 April 2020
Establish arrangements for the periodic monitoring of compliance with DPIA requirements.	Significant	6 months	30 April 2020

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 General Data Protection Regulations (GDPR) came into effect on 25 May 2018. The Data Protection Impact Assessment (DPIA) is one of the specific processes mandated by GDPR – organisations must carry out a DPIA where a planned or existing processing operation “is likely to result in a high risk to the rights and freedoms of individuals”. The failure to carry out a DPIA when required or to consult the Information Commissioner’s Office (ICO) when necessary, can lead to the Council facing enforcement action with the maximum financial penalty of 10 million euros.

Examples of processing that normally require the completion of a DPIA are:

Type of processing	Example
Innovative technology	Artificial intelligence and machine learning
Denial of service	Mortgage or insurance applications
Large-scale profiling	Social-media networks

Biometric data	Facial recognition systems
Genetic data	DNA testing
Data matching	Direct marketing
Invisible processing	Online tracking by third parties
Tracking	Data processing at the workplace
Risk of physical harm	Social care records

1.2 Following the introduction of GDPR, we agreed with managers to carry out a series of reviews over time, focusing on specific aspects of compliance with GDPR. If the Council is unable to demonstrate a robust approach to the assessment of privacy risks, there are significant associated financial and reputational risks.

1.3 We selected DPIAs as an area for review in recognition of the critical role they fulfil in demonstrating that significant changes to policy and working practice are designed to mitigate privacy-related risks at the earliest stages.

## **2. Conclusion and Opinion**

2.1 As a result of the audit work that we have carried out we can only provide limited assurance over the Council's arrangements for the production of DPIAs. From the managers we interviewed, awareness of DPIA requirements was low. We reviewed ten decisions from the Register of Key Decisions and Forward Plan) where we would expect the requirement for a detailed DPIA to have been actively considered. Only two assessments had been completed.

2.2 We discussed with managers how they had assessed data protection risks in each instance. Only half the managers were aware of DPIAs. None of these had completed the screening assessment to confirm whether a DPIA was required for their project, except the two who had completed DPIAs.

2.3 We accept that some large projects may have started before the legal requirement for DPIAs was introduced. However, given the scale of projects we reviewed, and the good practice advice issued by the ICO before this time, we would expect some formal assessment of data protection and privacy related risk to have been undertaken.

2.4 We were further concerned that corporate monitoring arrangements were not sufficiently developed to highlight non-compliance in this area, and we consider that further work is necessary to support the Data Protection Officer in this respect.

2.5 The guidance produced for completion of DPIAs was clear and comprehensive, and had been embedded in the Council's contracting process. Our key recommendation relates to more effective communications so all officers know how to assess the risk of processing activities impacting data subjects.

## **3. Summary of Findings**

### **Key Areas of Strength and Positive Compliance**

3.1 We were assured that steps had been taken to embed DPIA guidance in the procurement process. We also noted that existing sources of best practice in relation to information governance had been updated to refer specifically to DPIA requirements. To further improve arrangements, we consider that a signpost to the guidance should also be provided in respect of areas added to the Council's Register of Key Decisions.

3.2 A screening template, developed by Legal Services, was available on the intranet. It consisted of a series of questions to support managers in deciding whether a full DPIA was required. Further guidance for the production of DPIAs was also available, which supported the inclusion of consistent information and a standard structured approach. The templates were accessible to all, and support was available to managers when completing the assessment. The guidance could be further enhanced by referencing the need (and associated timescale) for retention of the screening assessment and formal DPIA document.

### **Key Areas for Development**

3.3 Despite the positive efforts to embed standard DPIA practice into the Council's ways of working, managers we spoke to generally seemed unaware of the GDPR requirements in this area. Only two of the areas we reviewed had completed DPIAs in relation to their projects. In our opinion, the remaining eight projects require a formal DPIA.

3.4 For those areas where a DPIA had not been completed, managers were able to discuss potential data protection risks arising from their projects, and to describe actions they had taken to mitigate these. However, none had adopted either the prescribed formal approach, or an alternative, to assess these risks and to document their findings. If a data breach were to occur, and the ICO were to investigate, a key mitigation would be demonstrable evidence that data risk had been assessed and that appropriate action was planned or taken.

3.5 We support the view of Legal Services that some dedicated communications in this area is required to boost awareness of the specific requirements of GDPR. This has been included on the relevant GDPR action plan but has not yet been delivered.

3.6 The size and delivery timetable of projects we tested differed. Some projects we reviewed predated the introduction of GDPR and therefore had not benefitted from updated guidance which is now available. However, other project managers considered their projects were not sufficiently advanced to complete the DPIA. We appreciate that it is not appropriate to be overly prescriptive as to when a DPIA should be completed, particularly as the consideration of data processing risk should be subject to ongoing assessment. However, our findings indicate that this area could usefully be included in communications.

3.7 We are aware that compliance with GDPR has only been a legal requirement since May 2018, and that some of the areas we reviewed have been in progress since before that time. With this in mind, the risk of legal non-compliance in these areas is low and will reduce further over time as ongoing projects conclude.

However, given the high profile of the areas we reviewed (all of which merited inclusion on the corporate Register of Key Decisions), we consider that completion of DPIAs in these areas would demonstrate a positive and active commitment to the principle of protection of personal data, and provide a baseline for future development.

3.8 With regard to management information, there was no structured active scrutiny of information to provide assurance that the requirement for DPIA completion was being addressed. There were a number of existing corporate information sources that could provide the basis for an assurance framework in this area, including dashboards tracking delivery of capital projects and the aforementioned Register of Key Decisions. Further work in this area is required to support the Data Protection Officer in discharging his responsibility for monitoring corporate compliance with this element of the GDPR.

**ES7 Internal Audit Report 2019/20**  
**Corporate Core, HROD**  
**Recruitment and Selection**

**Distribution - This report is confidential for the following recipients**

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Draft Report Issued	15 November 2019
Final Report Issued	10 January 2020

**Executive Summary**

Audit Objective	Assurance Opinion	Business Impact
To provide assurance that there are effective arrangements for the recruitment and selection of appropriate individuals to advertised Council vacancies.	Reasonable	Medium

Sub objectives that contribute to overall opinion	Assurance
Policies and procedures are in place to support a timely recruitment process, and assist both recruiting managers and officers in HROD.	Substantial
Documentation supporting recruitment decisions is created and retained in line with requirements, including data protection.	Reasonable
There is a clear, demonstrable and fair evaluation and feedback to candidates.	Reasonable

Pre-Employment Verification checks are undertaken prior to an offer of employment.	Substantial
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Key Actions	Risk	Priority	Planned Action Date
None	n/a	n/a	n/a

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's workforce plays an integral part in achieving the Council's vision and delivering the city's strategy. It is essential that the process for recruitment of new employees is fair, transparent and enables applicants to demonstrate the behaviours, attitudes and skills required to deliver the Council's aspirations. There were approximately 1,000 fixed term or permanent vacancies approved in the last 12 months. Where recruitment processes do not succeed this can result in excessive costs and can compromise services' ability to deliver to expectations.

1.2. Recruitment processes and applications are considered in all directorates of the Council and are supported by HROD. In order to facilitate the recruitment process, the Council uses a Greater Manchester wide resourcing system, Application Tracking System (ATS), to help manage the process.

1.3. We are aware of a number of other corporate reviews underway which are expected to impact on the future design and operation of the recruitment process. With this in mind we agreed with managers that this work would focus on the operation of the current process between from when an internal vacancy has been approved for advertisement to the pre-employment checks completed prior to starting. The timescales agreed for implementation of our specific recommendations should support managers in considering these actions in context of the outcomes of the other reviews, and moving forward in a co-ordinated and holistic manner.

## 2. Conclusion and Opinion

2.1. We can provide a **reasonable** level of assurance over the arrangements for the recruitment and selection of appropriate individuals to Council vacancies. From our testing it was clear that recruiting managers were aware of the processes and their responsibilities. Where recruiting documentation was available it demonstrated there was a clear rationale behind recruiting decisions, with multiple officers involved

in the decision. Pre-employment checks were undertaken on external candidates (and internal candidates where appropriate) before a final offer of employment.

2.2. We identified two key issues in the audit. Firstly, the absence of information regarding recruiting decisions after six months, and secondly limitations in the functionality to record on the ATS system.

2.3. We acknowledge that there will always be a tension between data retention requirements for personal data and the ability to demonstrate fair and equitable decisions in longitudinal analysis. However, the risk to the council is that there is a time limit for discrimination claims of six months (less one day), the Council would have up to 3 months (for complicated allegations) to respond to a formal 'letter before claim' from the applicant and as such, in our opinion, documents could be required for 9 months. Where the case proceeded to court, documents would need to be retained subject to the outcome of any court decision and/or appeal.

2.4. A Greater Manchester-wide review of recruitment processes is being undertaken in order to align working practices across the different organisations. Once this review has been completed the intention is to procure a shared recruitment system with improved consistency in use. Accordingly, any recommendations and decisions based on the ATS system itself should be used to inform the future specification for this. Any changes that could be reasonably made in the ATS system must be balanced against the possibility that there are likely to be further changes to the process, and possibly the system, in the medium term.

### **3. Summary of Findings**

#### **Key Areas of Strength and Positive Compliance**

3.1. Recruitment policies had been updated in June 2018, and a timetable for periodic reviews was in place. It had also been documented that the policy would be reviewed earlier to reflect legislative changes where this was necessary. There were also a number of additional guidance notes, for example in relation to Equality in Recruitment which included potential adjustments that might be supported to remove barriers to applicants with disabilities.

3.2. The guidance provided in relation to the shortlisting process contained standard documentation that was available to support the recording of interview notes, a panel scoring matrix, and the record of the panel selection decision.

3.3. In order to support a fair and unbiased assessment to determine the shortlist for interview, the information provided to recruiting managers withheld personal information from the application form. However, it was impossible to remove these details if the applicant had included them in the supporting evidence.

3.4. We reviewed 8 recruitment exercises for 30 vacancies, covering 219 candidates. In each case there was clear communication to candidates throughout the process; from the initial advert and role profile, through shortlisting and interviews, to requests for references and/or evidence of qualifications for successful



candidates. This was supported by the ATS system which was used to generate communications to candidates.

3.5. We interviewed six recruiting managers as part of our audit, along with officers from the Resourcing Team in HROD. Five of the managers had undertaken the Council's Recruitment and Selection training, as mandated by the policy before access to the ATS system was granted by the Resourcing Team. In discussion it was clear that managers understood this training, and this was supported by our testing. One of the managers had been granted access to ATS system but had not yet undertaken the Recruitment and Selection training. This manager had undertaken similar training and had used ATS in their previous role in another authority. They had recently been reminded via email of the need to undertake this training.

3.6. Shortlisting was undertaken on the basis of the role profile advertised. In all cases, interviews were undertaken by a panel consisting of either two or three officers. We identified three different approaches to the use of written assessments dependent upon the role, two of which were standalone exercises and the third was a basis for part of the interview.

3.7. A number of clear pre-established criteria had been set and were included in the guidance for shortlisting, examples include the requirement to interview any identified looked after children who met the shortlist criteria, and to only interview candidates who live in Manchester for vacancies below grade 3. Our testing identified that where these conditions had been met the appropriate process had been followed.

### **Key Areas for Development**

3.8. The ATS system (as configured) did not have anywhere to explicitly record the results and outcomes from interviews and assessments, other than through attachments. Interview documentation was not always provided to the Resourcing Team to be attached, and there has been an inconsistent approach by managers attaching the documents themselves, with some records not being attached.

3.9. Where documentation had been attached these were deleted after six months in line with the agreed retention period as had the paper records retained by the Resourcing Team. However, we identified three instances where paper records of applications and interview records had been retained by the recruiting manager, and had not been destroyed in line with policy after six months. In each case the recruiting manager was unaware of the need to destroy the records.

3.10. The absence of records for recruitment exercises beyond six months makes it more challenging to demonstrate the basis for decisions taken following the evaluation of candidates. Given the potential requirement for documentation for up to nine months based on the timescales detailed in the practice guidance of the Equalities Act 2010 we would expect records to support recruiting decisions to be retained in line with this. We would not expect full records to be retained beyond this except where a claim was being made as this could be considered excessive under GDPR.

3.11. There was also an absence of documented shortlisting, assessment or interview criteria. In discussion, managers were able to explain the criteria they had used, however this had not been documented for any of the exercises in our sample.

3.12. During the course of our testing in ATS, and through discussions with recruiting managers, it was clear that there were a number of other issues with the ATS System; there were limitations in the functionality, the user interface was considered awkward, and it did not integrate with other Council systems and processes. The following issues should be explored with the current provider and considered as part of any future tendering exercise.

- The user interface was described as 'clunky' and not intuitive or user friendly.
- We were advised that ATS would sometimes freeze or go slow (although we are aware that this may be due to wider ICT issues).
- There was no integration with other Council systems and processes, for example SAP or DBS. (We understand that elements of this are being considered as part of Our Transformation with regard to the Joiners, Movers and Leavers processes).
- ATS was not supportive of direct input of interviews or assessments, instead documentation had to be produced outside of the system and attached.

3.13. Although the general recruitment training was clear and well understood there was no structured formal training in relation to ATS. The ATS guidance that was available was sufficient to explain the process for setting up a recruitment exercise, but did not have sufficient information to ensure a consistent approach to recording results. Examples of this included the lack of recorded appointment criteria, the absence of records in the system, and the length of time records retained. In our opinion both training and guidance should be strengthened.

3.14. There were two consistent messages from recruiting managers regarding interactions with the HROD Resourcing Team where their user experience was not ideal:

- It was felt that activity on progressing recruitment only progressed when the managers chased the Resourcing Team. Given the limitations of the scope of our audit this was most obvious in the pre-employment verification checks undertaken, with some services setting up their own processes outside of the system to ensure these were undertaken.
- Linked to this was the absence of consistent communication from the Resourcing Team, with claims that letters had not been issued in line with agreed timescales, resource panels not meeting or not making decisions regarding vacancies, and conflicting information regarding the receipt of documentation.
- This feedback was discussed with the HR Operations Lead, who acknowledged that they were already aware of these issues and that they were working on solutions which would be included in their response to our action plan.

**ES8 Internal Audit Report 2019/20**  
**Growth and Development Directorate - Planning, Building Control & Licensing**  
**Section 106 Planning Obligations**

**Distribution - This report is confidential for the following recipients**

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Draft Report Issued	7 November 2019
Final Report Issued	17 December 2019

**Executive Summary**

Audit Objective	Assurance Opinion	Business Impact
To provide assurance that an effective system is in place to ensure that planning obligations agreed under S106 are delivered as intended.	Reasonable	Low

Sub objectives that contribute to overall opinion	Assurance
Arrangements are in place to identify and monitor all obligations.	Reasonable
Non-financial obligations are delivered as outlined within the obligation and within agreed timescales.	Reasonable
Financial obligations are collected on time, followed up and accounted for.	Substantial
Monies are used in good time to deliver the agreed outcomes.	Limited
Management information is sufficient; reported and supports	Limited

effective delivery of agreements.

Key Actions	Risk	Priority	Planned Action Date
Formalise and update the resources and team structure, finalise policies and procedures and formalise governance proposals.	Significant	Within 6 months	31 May 2020
Reconcile the new database to the various records held across the Council and update the database to ensure details of all 106 agreements are recorded in a single place.	Significant	Within 6 months	31 May 2020

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 process of collection and monitoring of s106 obligations contains several key risks, for example that the Council could fail to ensure money due is collected and discharged as intended. There was a new system under development for the monitoring of all obligations and as we had not reviewed this area in over five years we agreed with the Strategic Director, who inherited this service in July 2018, to include this area on the 2019/20 audit plan.

## 2. Conclusion and Opinion

2.1 Over the last 12 months, there have been a number of development actions to provide improvements over the management of s106 agreements. The key advances have included;

- The development of a database that will enable records and information to be consolidated,
- The development of improved governance processes, and
- The establishment of a revised staffing structure that will provide the capacity to manage all s106 agreements.

2.2 Whilst these development actions were not fully implemented at the time of our fieldwork, we can provide a **reasonable** assurance opinion on the overall systems of governance and control. We acknowledge that the planned improvements will significantly enhance the arrangements in place to monitor and deliver s106 agreements.

2.3 The newly created database is a valuable tool and once fully populated with up to date information on all agreements will increase the effectiveness over the management of s106 agreements. However, it is essential that alongside this, the key actions are implemented.

2.4 Since the time of our fieldwork the service has taken a number of further actions, including some of the key areas for development identified in this report. It is management's view that a number of these actions are now substantially complete and we will review these as part of our standard follow up process to confirm that the risks have been mitigated.

### **3. Summary of Findings**

#### **Key Areas of Strength and Positive Compliance**

3.1 A significant amount of work had gone into the creation of the new database. This database is a clear and comprehensive way to capture the information required that will provide for easy monitoring and reporting once fully reconciled to the various information held across the Council.

3.2 New governance proposals had been developed and were starting to be embedded. These include having a key contact for each relevant Council department attending a s106 Advisory Board (reporting to the Strategic Capital Board), which will be supplemented by a s106 Operations group.

3.3 106 agreements contained obligations that made it clear what is expected from the developer, and placed the onus on the developer to notify the Council of any triggers having been met. Wording of agreements had evolved in a manner that ensured spend can go towards relevant projects / activities and any underspend can be utilised.

3.4 There was an enforcement process for any developments that did not comply with obligations, and in practice this was very rarely required.

3.5 There were appropriate systems in place for collecting, following up and accounting for money once the Council had been notified that a trigger had been met.

3.6 A number of new processes had been designed to improve monitoring of spend going forward, such as a new cover sheet that is populated by the relevant departments. This will supplement the new governance arrangements in ensuring all obligations are being fulfilled in a timely manner.

3.7 A new team structure had been approved which will provide a dedicated section 106 officer, increased capacity to implement the new system and formalised reporting lines. This was in place at the time of our final report.

3.8 An annual report was produced for Members (scrutiny) and new reporting and a viewing portal for Ward Members was under design.

3.9 The new database allowed for updates to be received and updated from host service systems (uniform, SAP) in order that accurate information could be continuously available to Members, Officers, developers and the public.

### **Key Areas for Development**

3.10 At the time of our fieldwork the newly designed database was not fully reconciled to s106 records held in other Council systems. Implementation of the new structure should provide the capacity to complete this and we are told that the majority of these have now been reconciled.

3.11 There has historically been a lack of clarity over the roles and responsibilities of the various interrelated teams involved such as leisure, highways, planning officers and legal. Whilst this will improve with the new governance structures, these roles should be formalised.

3.12 Whilst the onus is on the developer to notify the Council when triggers have been met, there was no formalised proactive monitoring (for example inbuilt triggers and biannual reconciliation of all obligations) to ensure monies were received and obligations fulfilled.

3.13 There appeared to be delays on the spending and movement of monies and there were indications that there may have been a number of unspent historical balances remaining on SAP. We are told a piece of work has been done to identify these and that actions will be put in place.

3.14 More regular management information and performance monitoring should be produced to aid in identifying variances and assessing performance.

**ES9 Internal Audit Assurance Review Report 2019/20  
Integrated Commissioning – Corporate Core  
Assurance Review - Contract Spend Review**

**Distribution - This report is confidential for the following recipients**

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Draft Report Issued	13 November 2019
Final Report Issued	10 December 2019

**Executive Summary**

<b>Assurance Objective</b>	<b>Assurance Opinion</b>	<b>Business Impact</b>
To provide assurance over financial monitoring and cost control arrangements for contract related spend.	Reasonable	High

<b>Sub objectives that contribute to overall opinion</b>	<b>Assurance</b>
Controls used to determine that contracts are in place for areas of high spend.	Reasonable
Mechanisms for ensuring spend is in line with contract terms and the identification of individual contracts where there are significant variances.	Reasonable
Arrangements for monitoring suppliers with multiple contracts across the Council.	Limited

Key Actions	Risk	Priority	Planned Action Date
The Council should build on the work undertaken in the last 18 months to improve the content of contract registers so that strategic suppliers can be identified and monitored.	Significant	6 months	31 March 2020

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

## 1. Executive Summary

1.1 Directorate contract registers show that the Council currently has approximately 550 contracts with other organisations worth £350 million. In line with Our Manchester, we need to understand how our suppliers are performing and be assured that our contracts deliver on the outcomes suppliers have committed to. A key requirement of the Council's contract procurement rules is for officers to monitor a number of areas during the life of the contract including cost, compliance with specification and contract and any value for money requirements.

1.2 This review seeks to build on our previous work undertaken in 2017/18 which identified gaps in the level of information held about contracts and the related spend which limited the corporate view of how well controlled contract spend was. Since that time the Integrated Commissioning and Procurement Team (ICP) have undertaken a significant amount of work with contract managers across the Council to improve not only the information available corporately but also develop the knowledge of these managers about their role. As part of this work more complete contract registers were created enabling officers to more accurately identify the contracts in place and expected related spend.

1.3 Given the level of expenditure attached to contracts, the risks associated with non performing contracts and the amount of work being undertaken to reform the contract monitoring process we have classified this area as having a high business impact.

1.4 Our review provides a **reasonable** level of assurance over the financial management and cost control procedures in place for contract related spend across the Council. We took assurance from the results of our questionnaire to contract managers that checks were taking place at individual contract level. We were less assured that there were controls in place to review contract performance at a corporate level. There was positive movement in the number of contracts and level of information recorded on contract registers since our last review two years ago.



There is also an indication from our sample of greater alignment between forecast contract values and actual spend. This indicates that the increase in data and information is having a positive impact on control of spend, there is however further work to be done to increase the accuracy and completeness of these records.

## **2. Introduction and Background**

2.1 The Integrated Commissioning and Procurement Team (ICP) continue their work to improve the contract management capabilities of the Council including training plans for contract managers and the ongoing plan for procurement of a contract management system. While each of these is likely to help improve the spend management of contracts the impact of this will take time to push through once the initiatives are live. We consider this review should help to provide some assurance that the steps taken so far have had a positive impact and could help in identifying particular areas of focus in future development work.

2.2 Our review utilised data from 2018/19, the last full financial year of information available at the time of the audit. We used the directorate contract registers held by the ICP Team to compare against the spend information, which was extracted from SAP. This differs from our previous review when we had to focus on information in the Chest (the Council's online procurement system) to provide details of contracts due to an absence of consistent and up to date contract registers being in place across the Council. This is a very positive development over the last 18 months.

2.3 While we have attempted to include all contracts detailed on the register that were active during the 2018/19 financial year we encountered a number of issues that meant this was not possible. As such we have included as many contracts as possible in our review and Appendix 4 outlines the methodology that we used to determine whether or not a contract could be included in our sample.

## **3 Findings**

### **Progress since last review**

3.1 One of the key findings from this review was the increase in the amount of data available on Council contracts. When we undertook a similar review two years ago we were only able to incorporate 153 contracts into our review, with this information being extracted from the Council's electronic procurement system (Chest) as no central registers were in place at the time of the review. For this current exercise we were able to incorporate 320 contracts into the review and the information for these have come from contract registers maintained within individual directorates. The fact that we have more than doubled the number of contracts reviewed shows the work undertaken to improve the systems surrounding contracts is taking hold.

3.2 In using the directorate contract registers as the basis for our contract information we were also able to provide further detailed breakdown of performance by directorate. This allowed us to reflect on the varying levels of adoption of the new contract practices across the different directorates. Appendix 2, table 1 shows some

of the indicators of this by measuring the number of contracts on each register that have either a named contract manager or SRO and whether the criticality tool has been applied to the contract. From this we can see that the new tools seem to have been fully adopted within the Neighbourhoods, Strategic Development and Highways services but that there is more work to be done across the other areas of the Council though it is acknowledged that work is in progress in other areas with both Adults and Children's in the process of reviewing the criticality of their contracts. While this is broadly in line with the views that ICP officers had of how their work was being adopted this review demonstrates the level of compliance with the contract management standards and the progress being made is worthy of note.

3.3 In assessing spend against contract information we were able to calculate an aggregate position for the Council which showed contracts overall as being underspent (9%). While this incorporates some much larger over and under spends on individual contracts it again reflects a better position than our previous review which showed contracts as being on average 13% overspent. We acknowledge that the change in value may be due to the contracts being considered in each of the reviews. Nonetheless the table below shows that the level of change is significant and as such consider this is as a result of the work undertaken to increase the knowledge and awareness of contract managers that has taken place over the last two years. The table below compares the headline results for this review compared to the one two years ago.

	2018/19	2016/17	% Increase
Number of contracts examined	323	153	111%
Total Contract Value	£255,454k	£94,636k	169%
Total Spend	£232,328k	£107,319k	116%
Total Variation	-£23,126k	£12,683k	-182%

3.4 In conducting the above comparison we did note that the number of capital contracts contained within the registers had dropped compared to the previous reviews with large value capital contracts not being included on the directorate registers (e.g. North West Construction Hub, CAPPS, Factory and Our Town Hall). We confirmed that while a register had been put in place for 2019/20 it was not in place for the previous year and as such would not be helpful for our review. As such we have not attempted to include these contracts and acknowledge that their absence is a limitation of the review.

### **Spend Analysis**

3.5 We determined the spend position for 323 contracts against the contract registers (Appendix 2 table 2 provides a breakdown by directorate of contracts).

3.6 While the overall position was broadly in line with the contract value (an underspend of 9%), this masks some of the individual contract variances. The table below provides details of the number and value of contracts that were overspent, underspent or on target (within 10% of contract value). From this it can be seen that

the majority of contracts were overspent though there are number of high value contracts which are underspent which skew the overall totals.

Status	Number of contracts	Total Annual Value	Total variation from contract value	Average Contract value	Average Variation
Underspent	122	£162,672k	(£55,029k) -34%	£1,333k	£451k
On track (those within 10% of contract value)	36	£4,800k	£208k +4%	£133k	£6k
Overspent	165	£87,982k	£31,695k +36%	£533k	£192k
Total	323	£255,454k	£23,126k -9%	£791k	£72k

3.7 We examined some of the highest overspent contracts (by percentage of contract value) to understand why the contracts were overspent. The results of this as recorded in table 5 of Appendix 2 outline that there were additional purchasing arrangements in place with contract suppliers which were not covered by the actual contracts listed on the registers. We suggest that further investigation may be required to determine if this was due to additional contracts being in place which were not included on the register or non contractual spend which potentially should have a further agreement in place.

3.8 As part of the checks that we undertook on some of the overspent contracts we were able to identify that the annual values entered for some significant, high value contracts had been entered incorrectly into the contract registers. While we have asked staff to make corrections where we have identified these issues we did not confirm the accuracy of all contracts, as such the accuracy of our findings are limited to the accuracy of the data contained in the contract registers.

3.9 As part of the matching exercise we attempted to link all of the suppliers on contract registers to SAP suppliers (noting that some contracts are awarded to multiple suppliers, e.g. frameworks so there are more suppliers than contracts). We were able to link 73% of suppliers a slight increase on our previous review (table below shows comparison). Again while this is a positive step there is still no clear link between contracts and SAP and 80 contracts remained where it did not suggest that a supplier had been set up on SAP. While this may be linked to payments made through other systems which are then interfaced into SAP there is no reference that can be easily checked to confirm if this is the case.

	2018/19	2016/17
Number of suppliers	703	386
Number matched to SAP	516	275

Number not matched	187	111
% not matched	27%	29%

3.10 We also used the contract data available to determine any strategic suppliers for the Council, i.e. those suppliers who have a large number of contracts, high value contracts, or contracts critical to the operations of the Council. As the completion of the criticality of contracts on the register was patchy we were unable to incorporate the criticality of contracts in the review.

3.11 The suppliers with the most contracts and those with the highest value are recorded in tables 3 and 4 of Appendix 2. We reviewed this information to try and determine the Council's strategic suppliers. From this we note that suppliers with the most contracts generally held lower value contracts with only four exceeding a total value of £1million. The highest value contracts ranged from £5million to £20million. Only one supplier appeared on both lists – this was Manchester University NHS Foundation Trust. There will be other suppliers who will be critical to the Council's success however it was not possible from the information held in the registers to identify these. We made enquiries to determine if there were any processes in place to determine the strategic suppliers for the Council, however no work was currently underway to progress this or to define any additional monitoring or scrutiny required for those suppliers.

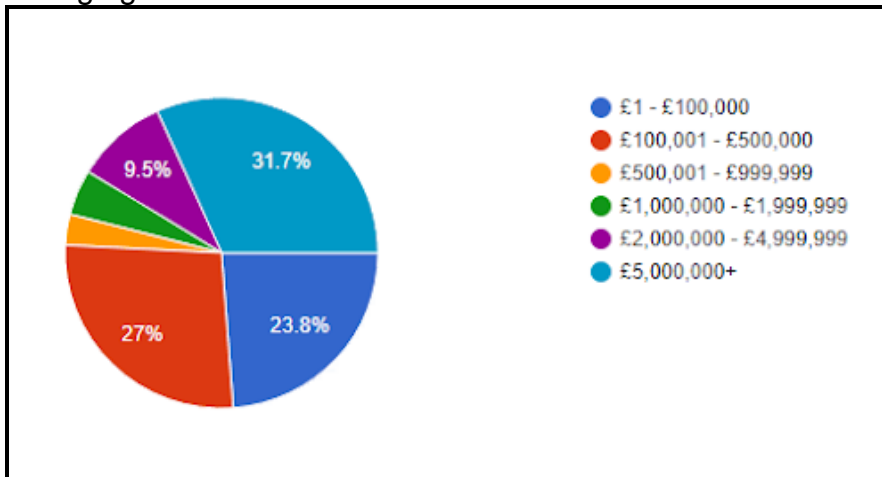
3.12 We identified the top 20 suppliers by spend and attempted to match these to contract registers to ensure that agreements were in place. We were only able to match six of the top 20 suppliers to the directorate registers. When we checked the remaining suppliers against information held within the Chest we were able to match a further five suppliers. We made enquiries into the remaining nine and confirmed:

- Four related to Housing Investment Fund loans paid across on behalf of the Greater Manchester Combined Authority.
- One related to a PFI agreement that was not included on the register.
- One was the Councils Arm's Length Housing Operator, Northwards.
- One was Manchester International Festival (MIF), linked to grant and The Factory project.
- One was confirmed to be a strategic loan agreed by the Council; and
- One was NHS Central Manchester CCG with whom the Council is working in partnership to redesign the Health offer across Manchester.
- As such we were assured that appropriate agreements were in place with the suppliers with whom the Council has the highest levels of spend.

## Questionnaire

3.13 We issued an anonymous questionnaire to 251 individuals identified as having a role in contracts and commissioning. Of these 87 responded (35%). Due to the variety of roles related to contracting and commissioning across the Council our first question asked for the number of contracts that the respondent managed. If the respondent answered 0 then no further questions were asked. Following this we had 63 respondents who answered our detailed questions.

3.14 We asked a number of background questions which established that respondents were split across the three directorates, mainly managed revenue contracts and in the majority worked with other officers to manage their contracts (Appendix 3 shows details of responses). We also asked the respondents to estimate the total value of the contracts that they managed. The chart below shows the results of this and illustrated that almost half of the respondents were managing contracts in excess of £500,000, with the biggest proportion of respondents (31.7%) managing contracts in excess of £5million.



3.15 The majority of respondents confirmed that they were, at least in part, responsible for checking the calculations of payments for their contracts. Of those not involved in checking payments to the supplier 5/8 were able to confirm that another officer undertook these checks and 2/8 were unsure if someone else undertook the checks (and had confirmed that others were involved in the contract). Only one confirmed that they were the only one involved in the contract and did not check payments. This respondent had identified that they managed contracts up to the value of £100,000.

3.16 The number of respondents who were able to positively confirm that they were involved in the payment process and the checks that they were undertaking provides positive assurance that spend is considered a key part of the contract monitoring process. We were also assured that the majority of respondents (59/63) confirmed that either they or another member of their team were monitoring actual costs against the expected annual value of the contract.

3.17 The majority of respondents considered that their contract spend was in line with the expected value (65%). This does not align with our findings which showed only 11% of the contracts examined were within 10% of approved value. However given that the responses were anonymous we could not match the responses to the payment analysis and it may be that the contract managers for those contracts which were on track were the ones that responded to the questionnaire.

## 4 Conclusions

4.1 Our testing has shown that the Council has taken significant steps to improve both the visibility and financial management of contracts, however the journey is not yet complete and further work is needed.

4.2 While contract registers have been incorporated into corporate Council standards they are clearly more embedded in some areas than others and our work did identify some gaps and errors. As such further work is needed to improve the accuracy and completeness of these registers.

4.3 The links between contracts and SAP is still unclear. Whilst we were able to match more suppliers to SAP records as part of this exercise this was only a marginal increase (albeit with a much bigger sample size).

4.4 The Council did not yet have any clear procedures to identify and oversee its strategic suppliers (those suppliers with high number, high value contracts or contracts which are critical to the Council's operations). Work is underway to identify the criticality of contracts and information within registers already allows some aggregation of the number and value of contracts if the information were to be merged and summarised across registers this would help to determine those strategic suppliers. Given the recent high profile liquidations of a number of key suppliers to the public sector it is important that the Council recognises and monitors those suppliers on whom it places a level of reliance. In doing this the Council can then look to mitigate any risks that may appear should the supplier enter a period of crisis.

4.5 While the overall contract position shows an underspend this hides a number of overspends which as identified above may relate to either additional contract spend or additional agreements not included on the contract registers. Work may be needed to identify and address these as they may place the Council at risk of challenge, either through a challenge that the original tender value was incorrect, or because additional spend has not been appropriately procured. Both of which would likely result in a financial loss for the Council (at the least in defending the claim) and potentially an inability to provide services if contracts were suspended while the claim investigated.

4.6 Taking all of this into consideration and as a result of this review we can provide reasonable assurance over the Council's financial management of contracts and a positive assurance over the current direction of travel.

## Appendix Three: Basis of Audit Assessment

Level of Assurance		Description	
<i>The level of assurance is an auditor judgement applied using the following criteria</i>			
Substantial	Sound system of governance, risk management and control. Issues noted do not put the overall strategy / service / system / process objectives at risk. Recommendations will be moderate or minor.		
Reasonable	Areas for improvement in the system of governance and control, which may put the strategy / service / system / process objectives at risk. Recommendations will be moderate or a small number of significant priority.		
Limited	Significant areas for improvement in important aspects of the systems of governance and control, which put the strategy / service / system / process objectives at risk. Recommendations will be significant and relate to key risks.		
No	An absence of effective governance and control is leaving the strategy / service / system / process open to major risk, abuse or error. Critical priority or a number of significant priority actions.		
Priority		Assessment Rationale	
<i>The priority assigned to recommendations is an auditor judgment applied using an assessment of potential risk in terms of impact and likelihood.</i>			
<b>Critical</b>	<b>Significant</b>	<b>Moderate</b>	<b>Minor</b>
Actions < 3 months	Actions < 6 months	Actions < 12 months	Management discretion
<ul style="list-style-type: none"> <li>• Impact on corporate governance</li> <li>• Life threatening / multiple serious injuries or prolonged work place stress</li> <li>• Severe impact on service delivery</li> <li>• National political or media scrutiny</li> <li>• Possible criminal or civil action</li> <li>• Failure of major projects</li> <li>• SMT required to intervene.</li> <li>• Statutory intervention triggered.</li> <li>• Large (25%) impact on costs/income</li> <li>• Impact on the whole Council.</li> </ul>		<ul style="list-style-type: none"> <li>• Some impact on service governance</li> <li>• Some risk of minor injuries or workplace stress</li> <li>• Impact on service efficiency</li> <li>• Internal or localised external scrutiny</li> <li>• Procedural non compliance</li> <li>• Impact on service projects</li> <li>• Handled within Service</li> <li>• No external regulator implications</li> <li>• Cost impact managed at Service level</li> <li>• Impact on Service or Team</li> </ul>	
Impact			
<i>Impact is the auditor assessment of criticality of the strategy / service / system / process being audited to the achievement of the Council's priorities and discharge of functions and duties in the following areas. This is described in the Audit Terms of Reference</i>			
Strategic Objectives		Key Partnerships	
Safety and Welfare		Finance and Resources	
Corporate Risk		Key Service Fulfilment	
Organisational Change		Statutory Duty	