

**MANCHESTER CITY COUNCIL
REPORT FOR INFORMATION**

Report To: Audit Committee - 30 September 2010

Subject: Internal Audit Assurance Report 2010/11

Report of: City Treasurer / Head of Internal Audit and Risk Management

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 Assurance Report that is used to inform the Annual Governance Statement. This report provides detail on the work undertaken between April and September and contains a summary of all opinions issued in the year to date.

Recommendations

Members are requested to consider the Internal Audit Assurance Report.

Wards Affected:

None

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Background documents (available for public inspection):

Documents used in the development of the quarterly report include the Internal Audit Plan 2010/11 and interim assurance reports presented to Audit Committee in 2010/11.

INTERNAL AUDIT REPORT APRIL TO SEPTEMBER 2010

1. Introduction

- 1.1 This report provides a summary outturn of the work of the Internal Audit Section for the six months from April to September 2010. It reports progress with delivery of the Annual Audit Plan and with implementation of recommendations, providing assurance opinions on completed audits and on the level of exposure to risk arising where recommendations are outstanding. The opinions and statistics provided have been reported to and presented at the relevant directorate's senior management team meetings.

2. Audit Programme Delivery and Implementation of Recommendations

- 2.1 The following table summarises the outturn against the total number of audit assignments contained in the annual plan. Outputs included audit reports, management letters, FMSiS assessments and advice and support to management on service improvement but excludes reactive fraud and irregularity investigation reports.

Audit Status	Audit Plan Outputs	Contingency / Off Plan Items
Final Report Issued	23	2
Draft Report Issued	13	1
Fieldwork Started	17	
Fieldwork Completed	5	1
Planning	25	
Not Started*	103	
Totals **	186	4

* Includes 45 school / FMSiS audits planned for the period October 2010 to March 2010. One audit (16-19 funding) has been superseded as a result of changes in Government Policy.

** The original audit plan forecast 164 audit outputs for the year. This has increased to 190 as a result of additional reports issued and urgent work identified in the year.

- 2.2 The sections on each directorate below describes in more detail the progress made against the plan, including an assurance opinion where this has been agreed with service managers together with key risks and concerns.
- 2.3 Implementation statistics reported at appendix 1 relate solely to April to June 2010 in line with figures reported for the first Directorate Performance Dashboard against the indicator ‘% of significant, major or critical Internal Audit recommendations implemented by the due date’. The individual directorate sections below report broadly on those audits where we are providing ‘moderate’, ‘limited ‘ or ‘no’ assurance over the level of exposure to risk as a result of outstanding recommendations.
- 2.4 A number of published audit outputs in the period related to completion work from the 2009/10 audit plan and where we have not previously reported on this they are included for completeness.

3. Children’s Services

- 3.1 Internal Audit’s 2010/11 annual audit plan allocated 690 days to Children’s Services which included 419 days for Schools and Financial Management Standard in Schools (FMSiS) related audit work and 271 days allocated to 12 audits of Children’s Services systems or activities, based on the risk assessment carried out to develop the audit programme. The status, assurance opinion and ‘capacity to improvement’ assessment for current audits is as follows.

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
16-19 agenda	Superseded	N/A	N/A
Contact Point Certification	Final Report Issued	● Moderate	No Longer Relevant
Integrated Admissions	Draft Report Issued	● Moderate	Set at Final
Sure Start Children’s Centres	Fieldwork Completed		
School Attendance	Planning Completed		
CRB checks	Planning Completed		
District Arrangements – Business Unit	Planning Completed		

- 3.2 The Children’s Services Directorate continues to evolve in response to changing priorities and policy changes under the new Government and to the Council’s need to achieve significant financial savings as identified within the Directorate’s Target Operating Model. Examples of the evolution of the

service include recent changes within Education Services. The School Effectiveness Officer role has been removed and the School Improvement Officer role given increased responsibilities, to meet central Government expectations of Local Authority relationships with Schools. The Government has also recently withdrawn the use of Contact Point. The relationship with Schools is also likely to be further affected by the recent invitations by the new Government to Schools to apply for Academy status.

- 3.3 Audit activity undertaken during the year to date has indicated that Senior Management have a clear understanding of the strategic direction in which the service is headed and work continues with stakeholders and key partners to achieve this.
- 3.4 A final report was issued in June to the Director of Children's Services covering our assurance activity in relation to the implementation and use of Contact Point. This report was issued to provide Internal Audit's assurance opinion on the usage of Contact Point for 2009/2010 in line with the Annual Compliance Confirmation for the Department of Education. We provided moderate assurance that the Council has effective and appropriate arrangements for the use of Contact Point in line with accreditation conditions.
- 3.5 Audit terms of reference for the Integrated Admissions and Sure Start audits have been issued detailing audit objectives, scope and approach for testing. For Integrated admissions the fieldwork has finished and for Sure Start the detailed fieldwork is well underway and for both audits we anticipate being in a position to formally report our draft findings in September.
- 3.6 Throughout the spring we have been involved in planning in relation to the Local Authorities responsibilities for 16-19 funding and related assurance responsibilities for this funding. However given the recent announcement that funding and assurance responsibilities for this funding will pass to the Young People's Learning Agency (YPLA) from August there is likely to be little further work to be undertaken in this area apart from supporting the clarification of any ongoing Local Authority responsibilities.
- 3.7 We have recently issued the terms of reference for the District Arrangements Management Unit audit and have discussed the timing and scope of the School Attendance audit and the CRB checks audit with the Head of Education and Deputy Director Children's Services respectively and anticipate detailed work will start in Quarter 2 for all three audits.

Schools

- 3.8 We have completed seven full school audits, three follow up school audits, a financial health check and three closing Schools audits with additional follow up visits. Overall we were able to give moderate assurance on the three primary school audits and two of the secondary schools. However it was concerning that two of the secondary schools audits completed showed very little progression in implementing recommendations from previous audits completed 12-18 months ago and therefore the schools' exposure to risk had not reduced. This theme was extended to the follow up audits completed in that very few recommendations had been implemented and the exposure to

risk had not been reduced. We are currently examining options to develop our own follow-up processes with schools to ensure that we can identify issues of non-implementation and raise concerns with governing bodies and Education colleagues as appropriate. The assurance opinion and capacity to improve recorded below are based on the risk to the schools and do not necessarily reflect significant risks to the Council.

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
St Paul's Catholic High School	Final Report Issued	● Limited	↑
King David Infant Closing School Audit	Final Report Issued	● Limited	→
King David Junior Closing School Audit	Final Report Issued	● Limited	→
Plant Hill Closing School Audit	Final Report Issued	● Moderate	↑
New Moston Primary School	Final Report Issued	● Moderate	↑
Trinity High School	Final Report Issued	● Moderate	↑
Loreto High School	Draft Report Issued	● Limited	Set at Final
Levenshulme High School	Draft Report Issued	● Moderate	Set at Final
Crab Lane Primary School	Draft Report Issued	● Moderate	Set at Final
St Margaret Mary's RC Primary School	Draft Report Issued	● Moderate	Set at Final
Moston Lane Health Check	Draft Report Issued	N/A – limited testing only	Set at Final
The Barlow RC High School Follow Up Audit	Draft Report Issued	● Moderate	Set at Final
St Anne's RC Primary Crumpsall Follow Up Audit	Draft Report Issued	● Limited	Set at Final
King David High School Follow Up Audit	Draft Report Issued	● Limited	Set at Final

3.9 Following revised guidance from the Department of Education and learning from previous years we have decided to integrate school audits and FMSiS reassessments. From October we will start the joint audit / FMSiS visits with those schools due for reassessment in 2010/11. We have received positive

feedback from schools on our proposed integration and consider this will be a more effective approach for both the schools, Internal Audit and the Council.

- 3.10 We remain concerned regarding the arrangements for closing schools. Although the Plant Hill Closure was being managed better than previous closing schools there was still some uncertainty around the control of assets that had been exacerbated by recent-break-ins at the School. We were also concerned that whilst the closing financial positions were well understood and spending was being controlled, neither of the King David Schools had a school-specific closure plan and there appeared to be some confusion over roles and responsibilities between the schools and the Local Authority with a lack of formal plans relating to the control and transfer of data, assets and staffing. This presents an immediate risk and reports on both of these schools were issued in early August confirming our concerns over the King David Schools in particular.
- 3.11 We continue to attend the Schools Finance Board with Senior Management from Children's Services to allow information from the Board to feed into our proposed audit work and to feedback any major and significant concerns from schools we have visited. The Head of Education Services has also confirmed that our audit work at schools will feed into the Schools Causing Concern RAG report.

Audit Recommendations and Exposure to Risk

- 3.12 Good progress has been made in implementing recommendations in relation to Contact Point, the Manchester Federation, School Budgets, Casework Management and Children's Trust arrangements and there has therefore been a reduction in the exposure to risk in these areas. There remain two key outstanding recommendations in relation to School Budgets covering the development and issue of practice notes on key financial controls and revision of the Schools Financial Regulations. We understand that this had been largely due to resourcing issues and timescales have now been allocated to these key actions by the Head of Finance, Children's Services.
- 3.13 Good progress has also been made in relation to Children Missing from Education (CME). We have received evidence to confirm that nine of ten recommendations have been implemented and therefore the exposure to risk in this area has significantly reduced. The key concerns have been addressed in that there is improved performance reporting, reduction in inaccuracies in CME reporting, clearances of backlogs in cases and the use of the one system as the sole record for CME. We are satisfied, from discussions with CME management, that the outstanding recommendation should have been implemented by the end of August and will obtain confirmation of this for the next assurance report.
- 3.14 We were pleased that individual outstanding recommendations in a number of audits including Pupil Census, City Learning Centres and District Model Delegations have been addressed so that all recommendations have now been implemented in these areas which contributed to the overall reduced exposure to risk.

- 3.15 Management reported verbally that progress had been made in relation to the recommendations made in the Academies audit which have all passed their due date for implementation and confirmed they will formally report progress prior to the next quarterly monitoring report. However the exposure to risk in this area currently remains as previously reported as we have received no evidence of recommendations being implemented to reduce the risk.
- 3.16 Overall we were pleased with progress made in addressing recommendations and there have been significant reductions in the exposure to risk in a number of the audits completed. However we remain concerned in the areas where significant and major recommendations have not been implemented by their due date.

4. Directorate For Adults

- 4.1 Internal Audit's 2010/11 annual audit plan allocated 235 days to 10 audits of Directorate for Adults systems or activities, based on the risk assessment carried out to develop the audit programme. The status, assurance opinion and 'capacity to improvement' assessment for current audits is as follows.

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Personal Assistants CRB Checks	Final Report Issued	● Limited	↑
Directorate for Adults: Purchase of Services (MLDP)	Final Report Issued	● Limited	↑
Residents Payments	Fieldwork Completed		
Fraud Detection Exercise - Cash Individual Budgets	Fieldwork Completed		
Fraud Detection Exercise Cash Handling	Fieldwork Started		
Homecare Contracts	Fieldwork Started		

- 4.2 The Directorate for Adults continues to evolve in response to the government's Personalisation Agenda and the Council's need to achieve significant financial savings as identified within the Directorate's Target Operating Model. This has involved the large scale restructure of services and strategic approach to delivery.
- 4.3 Significant changes are being made to redefine areas of responsibility within the Senior Management Team following recent personnel changes. The Assistant Director Business Units retired from the Council in May 2010. In addition to this both the Head of Finance and Assistant Director Customer Support are due to leave the Directorate in September 2010 for positions within Neighbourhood Services and Oldham MBC respectively. Also, the Interim Head of Safeguarding is due to leave the Council during the summer.

The Strategic Director Adults anticipates appointments to the vacant positions will be made during September 2010.

- 4.4 A draft report was issued in June to the Assistant Director and District Manager Customer Support in relation to the audit of arrangements for Personal Assistant CRB checks. We have subsequently issued the final report incorporating management responses to the recommendations made during July.
- 4.5 Audit terms of reference for Residents Payments, Homecare Contracts and the Fraud Detection Exercises on Cash Individual Budgets and Cash Handling (Vulnerable Adults) have been issued detailing audit objectives, scope and approach for testing. Both audits have completed the fieldwork stage and we anticipate being in a position to formally report our draft findings by the end of September.
- 4.6 In order to inform our future audit work regarding Safeguarding, Casework Management and Personalisation we have been invited to contribute to the Safeguarding Training Session for Managers and attended meetings of the MiCare Board and the Parent Carers Forum. In addition we will continue to work positively with the Directorate in developing relationships and intelligence around irregularities and investigations.

Audit Recommendations and Exposure to Risk


- 4.7 Currently we have outstanding recommendations recorded against five Directorate for Adults audits:
- Individual Budgets Audit Process.
 - ASC – Cash Handling Procedures.
 - Safeguarding – Vetting and Barring.
 - Homelessness.
 - MiCare Access.
- 4.8 There have been some positive developments made towards the implementation of recommendations within the Directorate for Adults. Management have taken action to address all of the recommendations made to help manage the risks in relation to the Safeguarding – Casework Management audit. This audit had identified some particularly high risk and sensitive issues for the Council in terms of officers failing to comply with procedure in relation to recording activity and decisions taken, this in turn increased service users exposure to risk. In response to the report a quality assurance review process has been introduced and system improvements included within the recent MiCare upgrade, however management will need to ensure their effectiveness going forward. As a result of the actions taken the exposure to risk in this area is reducing.
- 4.9 We are concerned over the elapsed time in addressing recommendations made within the Individual Budgets report, specifically around clearing the audit backlog. Responsibility for the audit process has transferred from the Directorate for Adults to Corporate Services and progress has been made to help ensure a sustainable infrastructure is in place to complete the necessary work. However the estimated date for this to be completed is September

2010, 14 months after the original implementation date. Whilst the financial review process has improved, this remains a significant risk to the Council in terms of providing assurance over the appropriateness of Individual Budget expenditure, specifically overspends, misspends and poor service provision.

- 4.10 Cash handling remains an inherently high risk area with a number of investigations having been completed in this area previously. There has been progress made to implement the recommendations made as part of the ASC – Cash Handling Procedures however this has been slower than anticipated. There remain four outstanding recommendations where the implementation date has been exceeded by six months. To reduce the exposure to risk in this area action is required to amend procedure documentation to ensure clarity over roles and responsibilities of staff handling customers' money.
- 4.11 The outstanding recommendations in relation to the MiCare Access were due for implementation on 30 June 2010. The Senior Project Manager has indicated that good progress is being made in addressing the reports recommendations, many of which are interrelated and on an individual basis require a significant amount of work to address the exposure to risk.

5 Neighbourhood Services

- 5.1 Internal Audit's 2010/11 annual audit plan allocated 81 days to four audits of Neighbourhood Services systems or activities, based on the risk assessment carried out to develop the audit programme. Following subsequent discussions with the Assistant Manager for Heaton Park we have allocated some additional time to providing assurance over car park income cash handling. The status, assurance opinion and 'capacity to improve' assessment for the audits undertaken was as follows.

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Heaton Park – Car Park Income Cash Handling (Advice and Guidance)	Final Letter Issued	N/A	

- 5.2 The Neighbourhood Services Directorate continues to evolve in response to the Council's need to achieve significant financial savings as identified within the Directorate's Target Operating Model. This will involve the large scale restructure of services and strategic approach to delivery. Central to this is the Neighbourhood Focus Strategy providing a framework within which services are being examined and organised with the aim of integrating delivery at neighbourhood level. This should help ensure resources are directed to meet the agreed needs of neighbourhoods in addition to city-wide services.
- 5.3 At the request of the Assistant Managers at Heaton Park we provided advice and guidance that has helped strengthen controls and procedures over the cash-handling process for car park income. This resulted in a report that was finalised in July.

- 5.4 We have discussed timing and scope of the Waste Management Recycling, Leisure Trust Contract Management and Street Scene Services Business Unit audits with the Head of Street Management and Enforcement, Head of Leisure and Head of Trading Services respectively as well as the Head of Business Support. We anticipate that detailed work in these areas will commence from Quarter Two and Quarter Three.
- 5.5 Following completion of the Green City – Projects audit during 2009/10 and at the invitation of the Head of Environmental Strategy we have attended meetings of the Climate Change Virtual Team. This has provided a valuable insight into the commitment of Manchester and the Council in addressing climate change and should help ensure any future audit work in this area is focused on key risk areas.

Audit Recommendations and Exposure to Risk

- 5.6 There have been some positive developments made towards the implementation of recommendations within Neighbourhood Services. Currently we have a small number of outstanding and partially implemented recommendations recorded against three audits:
- Blue Badge Scheme – Compliance Review.
 - Green City Projects.
 - CCTV – Bus Lane Enforcement.
- 5.7 Management have taken appropriate action to address seven out of the nine recommendations made to help manage the risks in relation to Business Continuity. This included the development of the business continuity process and work is continuing to ensure this is effectively embedded within the Council. The two remaining recommendations related to the development of a structured testing policy and the identification of review dates for Business Continuity Plans (BCPs).
- 5.8 Detailed testing of BCPs was undertaken within critical services during 2009 as part of the Council's preparations for swine flu. Similarly other exercises have taken place in response to the severe weather conditions. These exercises have provided management with assurance over the Council's readiness to address certain circumstances and helped reduce exposure to risk in these areas. However, it is not anticipated that a structured testing policy addressing the recommendations made within our report will be implemented until September 2010. Due to the length of time between the date of the outstanding recommendations and the likely date of implementation exceeding 12 months we have referred the risk back to the business.
- 5.9 We provided moderate assurance over the effectiveness of the controls and procedures over the issue of Penalty Charge Notices (PCNs) for bus lane contraventions. Our principal concern was that, despite public statements to the contrary, the Vehicle Certification Agency had not certified all equipment for use to issue PCN's at the appropriate time. All cameras at the time of the audit were correctly certified and further public clarification was released. Work is required to develop a management assurance framework to provide

and evidence management checks over the operation of the CCTV services. This will help manage the Council's exposure to risk, both in terms of reputation and financial, resulting from any future changes to camera authorisation and movement. The majority of recommendations in relation to this area became due from July.

- 5.10 We reported a lack of activity in managing performance against the Waste and Recycling contract held with EnterpriseManchester, resulting in a limited assurance opinion. Whilst efforts to date had focused on the development of recycling services, action is now being taken to address the need for an effective quality assurance and contract monitoring process and we therefore consider that there should be a high capacity to improve. To ensure the Council's exposure to risk in this area is reduced it is essential that the contract performance is managed to enable the effectiveness of waste and recycling services to be monitored and prompt action taken to address under-performance.
- 5.11 Our review of Heritage Assets resulted in eight recommendations being made to Neighbourhood Services in respect of Libraries and nine to the Regeneration Directorate in respect of Galleries. A limited assurance opinion was reported in relation to the stewardship and safeguarding of heritage assets. Of the eight recommendations addressed to Neighbourhood Services, six have been referred back to the business due to them being either superseded by the decant of books from Central Library to the salt mine, or the time period upon which recommendations would become due following the reopening of the Library in 2013-2014. The remaining two recommendations have been implemented by management. Overall the exposure to risk in relation to this area has reduced with management planning to manage these in the long term through the redevelopment of Central Library.

6 Chief Executive (Solicitor's, Corporate Performance And Communications)

- 6.1 The 2010/11 Internal Audit plan allocated 140 days to five audits in Corporate Performance Group systems or activities, based on the risk assessment carried out to develop the audit programme. This includes audits of governance arrangements in a number of significant partnerships. The status, assurance opinion and 'capacity to improve' assessment for the audits undertaken was as follows.

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
LPSA 2 – Modal Shift Survey (contingency - grant certification)	Final Letter Issued	N/A	N/A
Complaints	Final Report Issued	● Moderate	↑
Equalities	Fieldwork Completed		

- 6.2 Final management letters were issued to all those partnerships included in the audit of partnership governance arrangements and we can now provide substantial assurance over the continuing exposure to risk arising from recommendations made. We have reported our audit conclusions to Corporate Performance, providing moderate assurance over the effectiveness of partnership governance structures and the quality and completeness of information reported under the Council's Partnership Framework. In future we will report progress with implementation to the directorate responsible for the partnership rather than to Corporate Performance, who are not in a position to influence progress.
- 6.3 We undertook audits of compliance with Gifts and Hospitality policies and the treatment of Data Protection Act and Freedom of Information Act requests with Democratic Services. Draft reports were issued in February 2010 and since then we have been seeking formal management responses to allow us to finalise and publish the reports. We acknowledge other sustained calls on the Service's time and resources, including the May elections and the subsequent review of polling station management. The Information Governance Officer has provided information on the Data Protection Act recommendation which allows us to confirm implementation. We are also aware that action is planned which should help to address Gifts and Hospitality recommendations. However, it is important that the reports are finalised at the earliest opportunity as until then we are unable to report credit for any action taken.

2010/11 Audit Plan

- 6.4 We published a final audit report on the corporate complaints process and gave moderate assurance overall due to the need for improved compliance in some business units. We consider there is a high capacity to improve and gave substantial assurance over the operation of the policy, the work of the Corporate Complaints Team and performance management. Testing on our Equalities audit, focusing on effectiveness of assessment and action planning, has finished and findings are being considered before we report back to the business lead.
- 6.5 In addition to our planned work we provided an opinion on the quality of data supporting the LPSA 2 Modal Shift Survey performance indicator. We reported that the indicator was fairly stated and that the systems supporting its production were adequate to produce accurate and complete data.

Audit Recommendations and Exposure to Risk

Corporate Performance Group

- 6.6 We can provide substantial assurance over the current level of exposure to risk arising from action taken to implement the recommendations identified in our completed audits. Only one critical, major or significant recommendation was made which is not due until December 2010.
- 6.7 For our audit of Data Quality: Performance Indicators one moderate risk recommendation is implemented and one outstanding. We are satisfied that

work is in hand to develop guidance on proxy data, publication of which should address the risk and have agreed a revised implementation date. We can give substantial assurance over exposure to risk. Recommendation 3 (Significant) is not due to be implemented until 31 December 2010. We may have to review these recommendations given the new Government's focus on reducing nationally imposed performance targets and the potential axing of the 2010 Place Survey, which informs some annual indicators. The same issue may also impact on LAA Level 4 Indicators audit recommendations which are due for implementation in December when their use will be reviewed as part of the work to develop the 2011-13 LAA.

- 6.8 Our long-standing audit report on the Manchester Partnership, issued in late 2008, contained moderate and minor recommendations on Partnership administration and the Council's Partnership Framework. Outstanding recommendations (1 to 3) were put on hold pending last year's review of partnership function and structure. Given the need for certainty about the future of LAAs further changes may yet be necessary. Therefore, in line with our policy we will refer the associated risks to Corporate Performance Group and will take no further action to follow up implementation. Despite this, given the largely administrative nature of recommendations and good progress with the Council's Partnership Framework we can give substantial assurance over ongoing exposure to risk.

Crime and Disorder Unit

- 6.9 On the basis of follow up on our audit of the Drug and Alcohol Strategy Team (DAST) we can provide moderate assurance over ongoing exposure to risk. This is based on the risks from the lack of formal contractual arrangements between DAST and service suppliers, which were investigated by management. Short term contracts were signed with current suppliers to formalise existing arrangements until contracts can be re-let and the City Treasurer had waived the requirement for competitive tendering in these cases. Interim arrangements need to be fully implemented to be effective. Of eight significant or major recommendations four were implemented by the due date as at 30 June. We will therefore report an outturn of 50% against the corporate dashboard indicator. Four recommendations are still to be implemented and a further three moderate or minor recommendations are also outstanding.

7. Chief Executive (Regeneration)

- 7.1 The annual audit plan allocated 90 days to four audits of Regeneration Division systems. Following discussions with the Head of Housing Strategy we have allocated additional time to an audit of gas servicing arrangements. The status, assurance opinion and 'capacity to improve' assessment for the audits undertaken was as follows.

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Management of Regeneration Projects	Fieldwork Completed		

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
SRF / Project Management	Fieldwork Started		
Social Housing Allocation	Fieldwork Started		

- 7.2 Work started with two audits of project management arrangements, although it is too early to provide an emerging assurance opinion. Audit terms of reference identified specific ERDF, SRF and Cohesion Fund projects for testing. Both are at fieldwork stage and testing has started. We will provide an informed assurance opinion once testing is completed and findings have been discussed with managers. We have taken some assurance from the detailed review of project files from the previous ERDF programme undertaken by Regeneration Programmes Group and improvements made to Blue Book guidance. This helped refine and direct our audit testing. At the same time, the less structured approach to delivery of Cohesion Fund pilots and projects and the difficulties of identifying tangible benefits is challenging. The audit focus will therefore be on initial project evaluation and selection together with benefits realisation.
- 7.3 We have started our Social Housing Allocation audit with a review of arrangements to contact current housing register applicants to determine their eligibility under the new allocations policy. A management letter will be issued shortly. Further work will assess the effectiveness of controls over the migration of data from Civica to the new application, Manchester Move. In order to inform this work we now attend Housing Options Implementation Board meetings.

Audit Recommendations and Exposure to Risk

- 7.4 Overall we can provide moderate assurance over the current level of exposure to risk arising from action taken to implement the recommendations identified in our audits. Ten of 15 critical, major or significant recommendations were recorded as not fully implemented at 30 June and for the first performance dashboard we reported that 33% of these categories were implemented by the due date. Recommendations as a result of our audit of the Decent Homes Standard, the Strategic Regeneration Framework and S.106 Planning Obligations have been fully implemented. Those from our audit of Homelessness will now be followed up with the Directorate for Adults, following a restructure.
- 7.5 Of seven recommendations in our Manchester Adult Education Service audit, two significant and three moderate recommendations have been partially or substantially implemented. We are satisfied that work is being undertaken that will lead to full implementation. Three further moderate or minor


recommendations are fully implemented. As a result we can now give substantial assurance that the exposure to risk has been addressed.

- 7.6 We can give moderate assurance over the continued exposure to risk from outstanding recommendations made on our Heritage Security audit. Seven of 15 recommendations were addressed to Galleries (eight were addressed to Libraries) and we have confirmed that two significant recommendations have been fully implemented. We are currently reviewing progress with regard to the remaining recommendations with the Director of Culture and will provide an update in our next report.
- 7.7 Three significant and one moderate recommendation were raised to the Head of Transport and Head of Highways in our Metrolink Phase 3a audit. Given the nature of the recommendations, the recent replacement of both these senior managers is likely to affect implementation. We are actively following up with respective management teams but risks to effective project delivery remain while recommendations, particularly around risk assessment and resourcing, are not addressed.
- 7.8 Recommendations from our Civica Property Management Application audit were addressed to Regeneration's Head of Housing Information Unit. We can give moderate assurance over continuing exposure to risk. Four recommendations were implemented, including one significant recommendation. However, we will refer the risk associated with two, including a second significant recommendation, to management to monitor. Mitigation of the associated risks is dependent on an upgrade to a new version of Civica which, based on the new contract, will not now be in place until some time 2011. Action has been taken to mitigate some of the risk but a system solution would provide the best additional control.

8. Corporate Services

- 8.1 The audit plan allocated 621 days to 25 audits, including core financial systems. The plan includes a number of pro-active reviews designed to identify potentially fraudulent transactions. In addition, in the first quarter we have had to allocate resource to undertake off-plan financial health-checks of financial arrangements in several organisations that receive Council funding.
- 8.2 Work to deliver against plan is progressing well and we have delivered or are completing a number of core financial systems audits. Testing has been problematic due to external audit's requirement that samples cover at least a nine month period. This means we will often have to conduct testing and report in two phases, at the start and end of the year. The status, assurance opinion and 'capacity to improve' assessment for the audits undertaken was as follows.

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Grant Certification – Stroke Carers Grant	Final Letter Issued	Certification of Grant	N/A

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Grant Certifications – Growth Point	Final Letter Issued	Certification of Grant	N/A
Grant Certifications – Housing Market Renewal	Final Letter Issued	Certification of Grant	N/A
Payroll Compliance	Final Report Issued	Moderate ●	
North West Construction Hub High Value Framework	Final Report Issued	Full ●	N/A
Fraud Detection Exercise – Fees Payroll	Draft Report Issued	Limited ●	Set at Final
Debtors System Review	Draft Report Issued	Substantial ●	Set at Final
Revenues and Benefits - Quality Assurance System	Draft Report Issued	Substantial ●	Set at Final
Financial Health Check - Manchester Carers	Draft Report Issued	Limited ●	Set at Final
Treasury Management - Compliance	Fieldwork Completed		
Fraud Detection Exercise – Payments to Employees	Fieldwork Completed		
Revenues and Benefits Recovery and Suppressions	Fieldwork Completed		
Financial Health Check - Parent Carers Consultation Group	Fieldwork Completed		

- 8.3 We have audited and reported on three grants where the City Treasurer was required to sign off claims: Housing Market Renewal, National Growth Point and Stroke Care for Adults in the Community. We confirmed the accuracy of the grant usage statement for 2009/10, that expenditure was appropriately classified as revenue or capital and that it was eligible under grant conditions. Signed claims were returned on time to relevant government departments.
- 8.4 Our annual review of core financial systems comprises eight compliance and four full system audits. External audit rely on this work to inform their opinion on the annual accounts so while most work will be undertaken in quarters three and four, audits in quarters one and two will be supplemented by testing later in the year to ensure full coverage. We have issued a final report on Payroll Compliance, giving moderate assurance over compliance with system policies and procedures. We were satisfied that the system was managed adequately but our opinion reflected risks from our January 2009 Payroll report on the PA1 SAP role and separation of duties. The review of Human Resources and Organisational Development should address this concern and we have raised this issue with the project manager. We have issued a draft

- report on our full systems audit of Debtors and can provide substantial assurance on the effectiveness of arrangements in place to manage debts, and identified no significant concerns. We have started audits of Treasury Management and Revenues and Benefits Recovery Suppressions and planning is underway on our Cash and Creditors audits.
- 8.5 We provided full assurance that the North West Construction Hub High Value Framework was let in compliance with the Council's procurement rules. Specifically we established that legislation and regulation was fully complied with, that evaluations were robust and logical and that decisions were clearly documented and supported by adequate information.
- 8.6 We have issued a draft report on our Revenues and Benefits – Quality Assurance audit which provides substantial assurance over the Service's arrangements for ensuring delivery of a quality service.
- 8.7 We reviewed use made of the Weekly Fees Payroll system which is designed to process one-off payments to individuals who are not Council employees and in 2009/10 processed £3.4 million of payments to 1,166 people. Our findings indicated that it may be used by managers to circumvent established recruitment and procurement controls and recommended closing the system and processing such payments through Accounts Payable.
- 8.8 In addition to planned work we resourced financial healthchecks of the Manchester Carers' Centre and the Parent Carers Consultation Group (PCCG), to which the Council provides funding. For the former, we issued a draft report to the Head of Commissioning and presented our findings to the Chair of Trustees and Chief Executive highlighting concerns over governance and financial procedures for immediate attention. We acknowledge that the steps are being taken to mitigate some of the risks. Work on the PCCG is progressing and we intend to issue a management letter shortly.

Audit Recommendations and Exposure to Risk

- 8.9 Overall, we are satisfied with progress made and can give moderate assurance over exposure to risk arising from outstanding recommendations. As at 30 June eight of 47 critical, major or significant recommendations were recorded as not fully implemented and for the performance dashboard we reported that 83% of these categories were implemented by the due date.
- 8.10 A number of audits had recommendations outstanding or partially implemented but we were satisfied with progress to the extent that we were able to provide substantial assurance over ongoing exposure to risk. We have therefore not reported on them in detail in this report. However, we have provided more detail on the following audits due to greater concern over risk exposure.
- 8.11 On our Recruitment Compliance audit we can only give limited assurance over the exposure to risk as seven of the nine recommendations made are outstanding two of which are 'significant'. Although progress has been made none are fully implemented and associated risks, including rules on record retention, are not therefore being fully managed. The restructure of the HR/OD service and current focus away from external recruitment should

provide opportunity for these issues to be addressed and responsibility for addressing these risks will be transferred to the Assistant Chief Executive (People).



- 8.12 We can give moderate assurance over the ongoing exposure to risk arising from our audit of Obtaining and Managing External Funding. Some progress has been made to implement a number of the six recommendations made, two of which are 'significant'. Whilst assurance can be gained from work undertaken by others in the team to cover this role, we consider progress should gather momentum following a recent appointment to the role of grant coordinator.
- 8.13 Of nine recommendations made in our audit of Reconciliation of Temporary Accommodation Housing Benefit Entitlement in CIVICA and SAP, two are overdue and seven have not yet reached their implementation dates. We can provide only limited assurance over the continued exposure to risk until recommendations are implemented. In particular, we have concerns over the effectiveness of the reconciliation process, the level of understanding of the process and clarity of responsibility for undertaking aspects of the reconciliation.

9. Directorate Of Transformation

- 9.1 Internal Audit's 2010/11 annual audit plan initially allocated 287 days for 15 Directorate of Transformation audits although one audit, Information Security in Schools will be delivered by the Children's Services audit team. The status, assurance opinion and 'capacity to improve' assessment for the audits undertaken was as follows.
- 9.2 In our annual report to Audit Committee on 3 June 2010 we provided a detailed assessment of the ICT Service, noting:
- the scale of the issues inherited by the Chief Information Officer (CIO);
 - the journey completed over the previous 12 months, together with the many improvements that had been made by the CIO and ICT Service; and
 - the remaining challenges faced by the ICT Service.
- 9.3 With a three year ICT Roadmap in place, the ICT Service is now in a stronger position than the previous year. However we are concerned that the impending departure of the CIO in October 2010, together with current staff resource issues in ICT, does not adversely impact upon the Service's ability to address key risks. These include implementing the ICT Roadmap and delivery against key business targets and objectives for 2010/11. Production and subsequent monitoring of a detailed delivery plan based on the three year Roadmap will be an essential tool in supporting a successful transition of management of the ICT Service to the new CIO.
- 9.4 ICT delivery will be the subject of continuing audit focus during the year and we are proposing ongoing coverage across a range of ICT risk areas to keep abreast of service delivery against its business plan and Roadmap.

2009/10 Audit Plan

- 9.5 Detailed in the following table are audit reports from the 2009/10 plan that we have issued in this quarter, together with the overall assurance opinion and capacity to improve assessment.

Audit Area	Audit Status	Assurance Opinion	Capacity to Improve
Internet Management and Usage	Final Report Issued	● Limited	
Control and security of ICT in flexible and agile working	Final Report Issued	● Moderate	
IT Access	Draft Report Issued	● Moderate	Set at Final
Government Code of Connection Compliance (review for S151 officer)	Final Report Issued	Certification of Statement	N/A

- 9.6 The IT Access report was issued as a draft report on 1 April 2010. We have discussed this with the Assistant Chief Executive (People) who has agreed to chair a meeting between relevant parties to agree a Council wide approach to the issues and risks identified and which officers would lead implementation. Given that solutions require development of systems and processes within HR/OD, Payroll and ICT this approach is essential to identify and implement improved controls. It should also be used to reach consensus on IT access roles and responsibilities of the three functions and with managers across the Council.

2010/11 Audit Plan

- 9.7 Work on Transformation programmes and projects recently started and will focus on an evaluation of the Customer Services Strategy and the Town Hall Transformation Programme, with particular emphasis on the governance model and, for the Town Hall Programme, contracts. It is too early to give a view on any emerging findings.
- 9.8 Work on 2010/11 ICT audits has not started yet. As in previous years we have appointed external providers to deliver six ICT audits. We selected PriceWaterhouseCoopers from the framework agreement to deliver five audits. We also awarded one audit to Salford Advice and Consultancy Service in order to assess whether quality of delivery has improved since the last time we used them. We will meet the Chief Information Officer early in September to discuss the programming and delivery of these audits and others that we will resource internally. Delivery will be concentrated in quarters 3 and 4.
- 9.9 For the planned Internal and External Penetration Testing audit we will determine what work we will undertake after assessing the process and results of the monthly penetration tests that are planned to be undertaken on behalf of the ICT Service. Similarly for the Government Connect audit we will

asses what work we will undertake after the accreditation visit of Siemens in September 2010 has been completed and reported

Audit Recommendations and Exposure to Risk

- 9.10 32 out of 49 critical, major or significant recommendations were recorded as not fully implemented as at 30 June. These all relate to audits of the ICT Service. For the August Performance Dashboard we will report that 35% of these categories were implemented by the due date.
- 9.11 The number of critical, major or significant recommendations outstanding, and the fact that other targets have either been delivered late or not at all, causes us some concern. We acknowledge the difficulties and recognise the significant challenges faced by the ICT Service including target dates set for implementation of recommendations being found to be overly optimistic once the full extent of issues was known and competing (and sometimes fixed) delivery timescales from other business areas. This is at a time when the Service is balancing delivery of a stable and fit-for-purpose ICT Service with the need to support transformational change, sometimes with insufficient resources or skills.
- 9.12 However, since the appointment of the CIO in September 2009 the Service has made significant progress in several areas of service development and improvement. Where delays have occurred they have generally been as a result of the inability to recruit skilled staff to undertake key actions. This work is clearly continuing and ICT management regularly review and revise work priorities to make best use of the resource available. Progress made to date shows that the Service take audit recommendations seriously, building implementation into wider service development plans and clearly allocating ownership of audit action. Risks associated with staffing shortages are being mitigated in the short term by skilled contract staff. We will need to evaluate the impact of the current CIO's departure as the situation develops.
- 9.13 Detailed below is our summary assessment of audits with outstanding recommendations.

Departmental Security Review

- 9.14 Based on outstanding actions and the maturity of information security within the Council we can give moderate assurance over the ongoing exposure to risk. We take some assurance from recent developments including:
- The inaugural meeting of the Information Technology Information Management Board on 15 June 2010;
 - The recent agreement to the formation of the SMT Information Risk sub-group that will report directly to SMT; and
 - Development of the draft information security policy.
- 9.15 However until information security has had time to embed, which will be required before staff gain awareness and adopt good information management and security practices, some exposure to risk will remain. We have planned three audits on information security in 2010/11 and have

recently given formal feedback to the CIO on the draft information security policy.

Policy and Technical Review of E-Mail Management

- 9.16 We can only give limited assurance over the remaining exposure to risk as a number of key recommendations are still to be addressed, including monitoring of internal e-mail, encryption and retention policies. Performance and stability issues over the e-mail system are also a particular concern.
- 9.17 Implementation of some recommendations was dependant on upgrade to Lotus Notes v8.0. However, we are aware that the Council will now migrate to Microsoft Outlook. Timescales have yet to be set and a number of other ICT priorities need to be addressed before embarking on e-mail migration project. As a result we have referred the risk and any consequences of not taking action back to the ICT Service in respect of 11 outstanding recommendations and will take no further action to monitor progress.

Internal & External Penetration Test (July 2009) and Internal / External Penetration Test (March 2010)

- 9.18 Whilst we accept that many improvements have been made in this area, given the low base position that the new Chief Information Officer inherited and level of outstanding recommendations we can provide only limited assurance in this area. In total 16 critical, major or significant risks remain outstanding. Our assessment is based on findings of the two penetration tests and the actions taken by the ICT service to address the risks identified. We will reassess during the year as part of our planned work which will be informed by the outcomes of the planned monthly penetration tests.
- 9.19 Positive action has been taken by ICT to addresses the issues identified by Internal Audit. A server patching strategy is in place and weekly patch meetings have taken place since March 2009. Microsoft MBSA report scanning has been introduced as part of the patching process. Microsoft also provide the Council with 5 day advance notification of impending security patches. An aggressive patching programme has been undertaken by ICT. However the level of risk remains high as patching of all servers is not completed and it is accepted that there is an incomplete understanding of all technology connected to the network. The Service is actively looking to address these issues but other dependencies need to be addressed before they can be fully resolved, including the upgrade of Active Directory and consolidation of staff into the ICT Service. ICT estimate a large number of these recommendations will be addressed in September and October and the ICT Service is to commission monthly penetration tests from August.

ICT Assets: Lifecycle Management

- 9.20 Again, good progress has been made in addressing recommendations with dedicated resources within the Service working on the compilation of a Corporate Asset Register. However, we can provide only limited assurance over exposure to risk as we remain concerned that the recently completed

asset register is not up to date, particularly around portable IT devices, and effective controls over the management of all ICT assets presents a risk to the ICT service and the wider Council. We consider that adoption of the policy of single ownership of all IT Assets by the ICT Service, as detailed in the ICT Strategy, is a critical factor. Our 'medium' capacity to improve assessment was also based on the critical dependency on service departments to ensure the asset register is maintained accurately after it is updated.

ICT Contract & Supplier Management

- 9.21 The ICT Service appointed a Contracts and Supplier Manager in April 2010 who is addressing the risks raised in the audit report and estimates that the remaining outstanding recommendations will be implemented by the end of 2010. During 2010 the ICT Service continued to develop its understanding of all service suppliers and their relationships and interdependencies. The long term aim is to rationalise the number of suppliers and relationships that the ICT service has to manage which should improve accountability for delivery and may identify efficiency savings. Until this exercise is completed and all audit recommendations are implemented, we will continue to report limited assurance over exposure to risk, as until then ICT contracts and suppliers may not be appropriately managed and the Council and ICT will not have a complete understanding and control of all ICT related expenditure.

ICT Security Assessment

- 9.22 Thirteen of the fifteen recommendations are not due to be implemented so our limited assurance opinion over exposure to risk remains in respect of the security controls in place across the Unix, Citrix and Anti-Virus estates.

ICT Internet Management and Usage

- 9.23 Eight of the ten recommendations are not due to be implemented. In addition, the contract for delivery of Internet Service Provision is due to expire in 2010 and new provision will need to be procured. As a result, limited assurance over exposure to risk will be reported until recommendations are implemented. In particular we will need to see that there is complete understanding of the monitoring and control of internet service provision and the contract together with strengthened management arrangements for monitoring internet usage.

Control and Security of ICT in Flexible and Agile Working

- 9.24 Nine of the eleven recommendations are not due to be implemented and the risk remains, in that mobile solutions may be implemented that do not provide value for money. For the current mobile infrastructure there remains the risk that the security of the infrastructure and devices is not hardened to an appropriate level. We will therefore continue to provide limited assurance over exposure to risk.

10. Anti-Fraud and Investigations

- 10.1 Internal Audit focus continues to be on the delivery of a programme of proactive anti-fraud work, including development activity and awareness raising, as well as involvement in a significant number of reactive investigations. 340 days were spent on proactive and reactive anti-fraud and corruption work compared to a budget of 255 days. Given the volume of referrals and success of pilot proactive fraud detection reviews the Internal Audit Plan for 2010/11 includes an allocation of over 500 days to extend coverage across these areas.

Proactive

- 10.2 Proactive anti-fraud work has included the review of fees payroll, payments to employees, cash handling and individual budgets referred to in the directorate summaries above. In addition work is continuing to refresh corporate policies and procedures.

Reactive

- 10.3 In addition to ongoing investigations into cases started in 2009/10 Internal Audit has been made aware of 24 cases of potential fraud and irregularity in the period. These have been investigated by officers within the service or in conjunction with managers and the police. Key themes in the period include the following:
- Concerns raised in respect of the operation of voluntary sector groups including a lack of effective governance, financial management and record keeping. Thematic issues arising from investigations are being addressed through the delivery of an additional piece of audit work relating to Council arrangements for commissioning services and providing grants to the voluntary and community sector.
 - Financial frauds including theft of money and assets from Council and school premises, cheque fraud and attempted payment frauds.
 - Processes for the award of contracts.
 - Financial irregularities and fraud relating to the use of individual budgets within the Directorate for Adults.
 - Matters relating to employment and grievance cases.

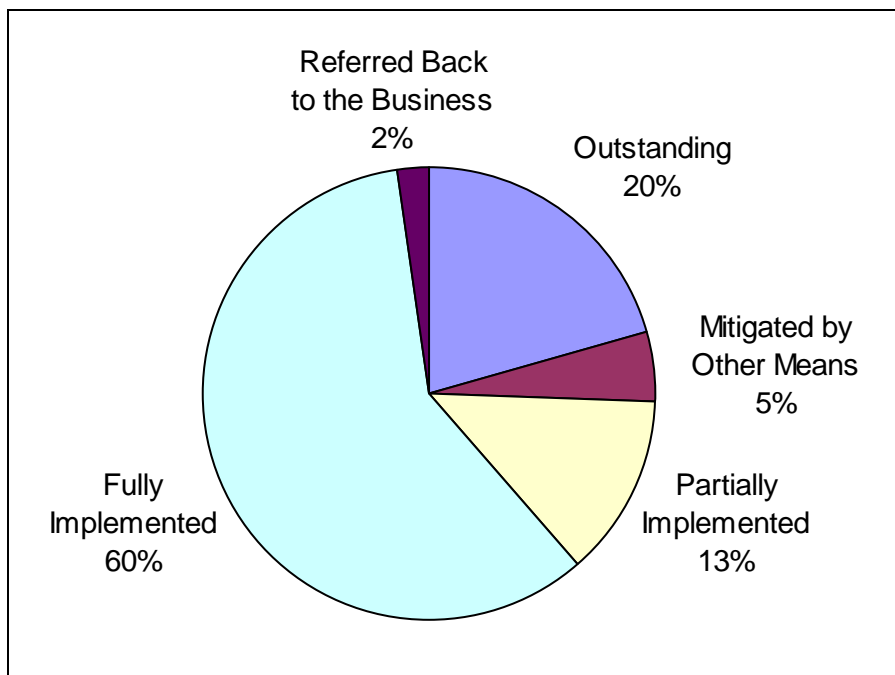
11. Implementation of Recommendations - Overview

- 11.1 All final Internal Audit reports include management action plans to address agreed recommendations. The effective implementation of these action plans within timescales determined by management is essential if the risks identified during audit work are to be managed effectively. As described above, we undertake regular review and assessment of progress with business owners.

The status of recommendations is shown in the following table, based on figures reported to business managers for the period April to June 2010 and submitted for inclusion on the new performance dashboard.

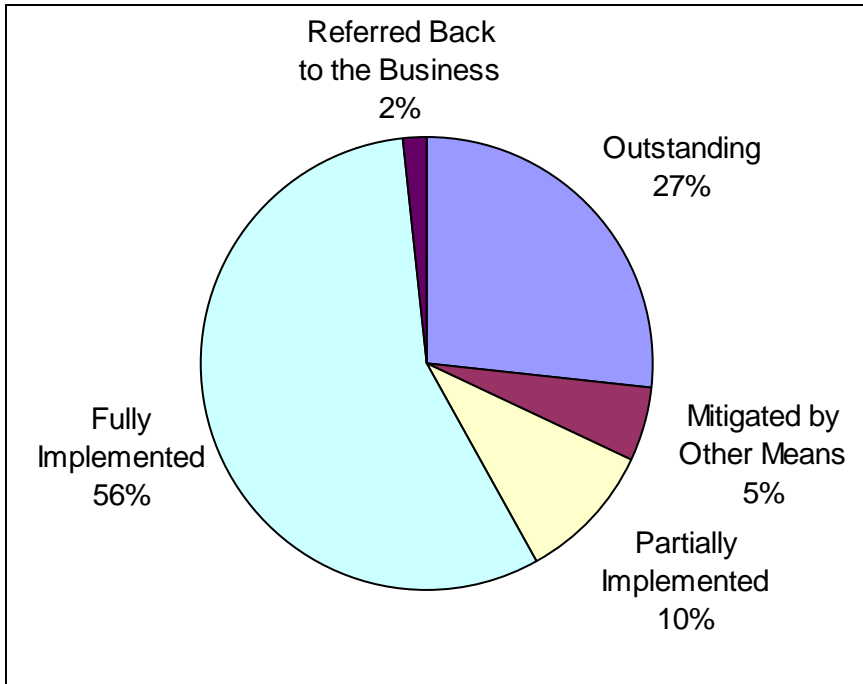
- 11.2 At 30 June there were 575 Internal Audit recommendations of which 460 were due to have been implemented. The implementation status for these is shown below.

Diagram 1 – Implementation Status of Internal Audit Recommendations



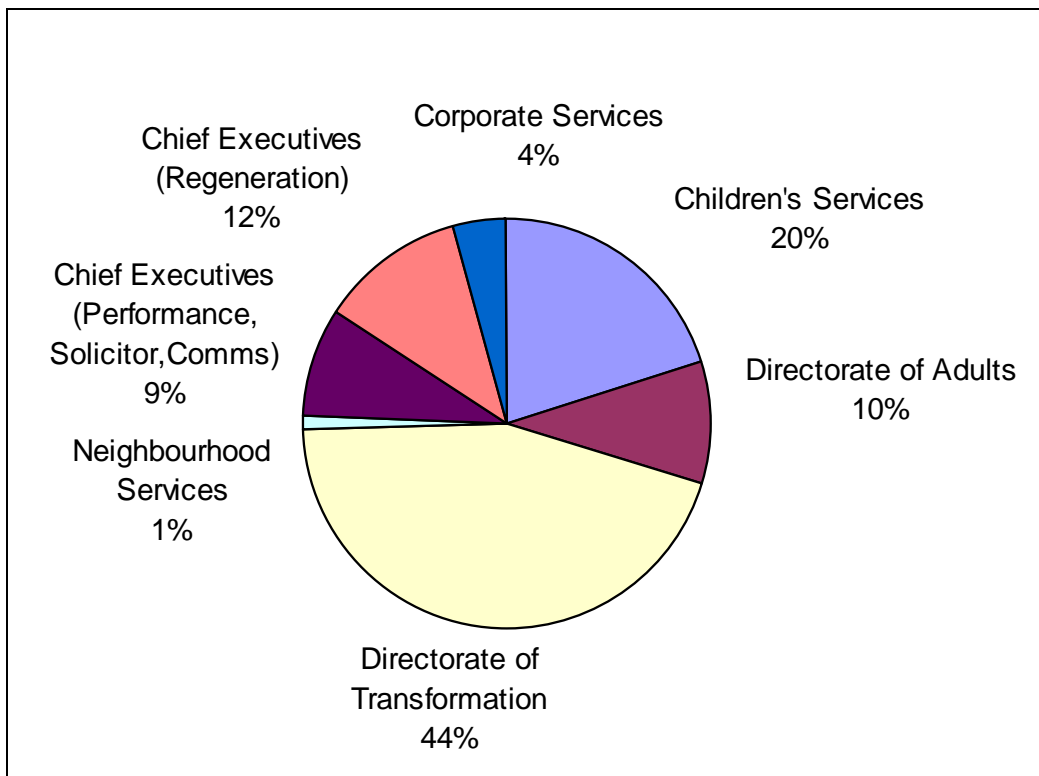
- 11.3 Overall we have seen further improvement on the percentage of outstanding recommendations reported to the 3 June Audit Committee in the Annual Internal Audit report for 2009/10. 33% are either partially implemented or remain outstanding past agreed implementation dates compared to 41% reported in June. This means that all agreed actions, alternative mitigating actions or significant aspects of recommendations, such as the production and dissemination of guidance, have been addressed for 78% of the total due.
- 11.4 Performance dashboard reporting focuses on critical, major and significant risks as these represent a greater overall risk. The position on implementation in respect of these categories of recommendation is shown below.

Diagram 2 – Implementation Status of Internal Audit Recommendations (Critical, Major and Significant Priority)



11.5 The split of the 20% of outstanding recommendations by directorate is shown below. The greatest proportion of recommendations relate to the Directorate of Transformation and in particular ICT as referred to in section 9 above.

Diagram 3 - Outstanding Recommendations by Audit Group Area



11.6 In line with Internal Audit's policy for recommendations which have not been implemented within 12 months of the agreed due date, we have referred risks

back to the business in respect of ten recommendations. This requires formal acknowledgement that management understand and accept the exposure to risk. These matters should be considered by them as part of business risk planning and Internal Audit will re-assess the risks as part of audit planning.

- 11.7 Internal Audit acknowledges that managers are taking steps to manage risks and we are pleased to see an increase in the numbers of implemented recommendations and a reduction in those outstanding. However, we will continue to seek to improve this position through regular monitoring and follow up with managers. The recent introduction of quarterly progress reporting to directorate senior management teams, the quarterly corporate performance dashboard being used within Strategic Support and Challenge Sessions as well as the ongoing scrutiny by the Audit Committee is helping to raise the profile of recommendation implementation with managers and we are confident that further positive progress will be made during the second half of the year.

Exposure to Risk

- 11.8 Internal Audit monitor progress towards implementation to ensure that appropriate action is taken to address risk and that exposure is reduced. Particular priority is placed on ensuring that recommendations which are assessed as critical and high risk are being addressed and that any delays in implementation are notified to both senior business managers and to Internal Audit for advice and additional support as necessary.
- 11.9 Demonstrating the effective implementation of audit recommendations remains a challenge for the Council for a variety of reasons:
- Changes in structures, staffing and approach across all directorates and the national environment arising from the coalition government's new policies means that specific recommendations can be partially or fully superseded.
 - Evidence of a lack of capacity in some areas to deliver planned solutions in the agreed timescales so the need to secure additional resources for implementation continues to be formally reflected in audit reports.
 - Optimistic timescales for completion meaning that issues fall overdue before management have had opportunity to take appropriate action. Internal Audit staff are challenging deadlines they consider to be over-optimistic but service management are ultimately responsible for determining timescales.
 - Reliance on other service areas in implementing controls can be an issue, particularly when finance, personnel or ICT support is needed to implemented proposed changes. Service managers are encouraged to consider such dependencies when providing responses.
- 11.10 Action has been taken to implement a large number of recommendations. Management responses and the level of evidence provided to confirm implementation continues to improve but is inconsistent and there are often

delays in obtaining sufficient evidence to evaluation completion. We anticipate that changes in the way we engage with senior managers should start to have a positive impact in these areas and Internal Audit will continue to work with all Heads of Service and Strategic Directors to ensure managers continue to manage identified risks and implement recommendations.

12. Conclusions

- 12.1 Members are asked to note the Internal Audit Assurance Report for the six months to September 2010.

Appendix 1 - Summary of Status of Internal Audit Recommendations

AUDIT RECOMMENDATION IMPLEMENTATION STATUS BY DIRECTORATE AS AT 30 JUNE 2010														EXPOSURE TO RISK		
Directorate	Total Made		Outstanding		Partially Implemented		Fully Implemented		Mitigated by Other Means or Superseded		Risk Referred to Management		Not Yet Due		% Implemented by Due Date	Overall Assurance Opinion
<i>Risk Category *</i>	●●●	●●	●●●	●●	●●●	●●	●●●	●●	●●●	●●	●●●	●●	●●●	●●	●●●	
Children's Services	75	15	16	3	0	0	45	7	4	3	0	0	10	2	75.83%	● Moderate
Directorate of Adults	42	15	6	3	7	4	18	6	1	0	0	0	10	2	59.38%	● Moderate
Neighbourhood Services	23	21	0	1	1	2	5	9	5	1	1	1	11	7	83.33%	● Substantial
Chief Executives (Performance, Solicitor, Comms)	11	15	4	4	0	0	4	4	0	0	2	3	1	4	40%	● Substantial
Chief Executives (Regeneration)	15	33	5	6	4	4	4	14	1	1	1	1	0	7	33.33%	● Moderate
Corporate Services	47	136	0	4	8	22	34	89	1	6	0	1	4	14	81.40%	● Moderate
Directorate of Transformation	74	53	29	13	3	5	17	17	0	0	0	0	25	18	35%	● Limited

●●●	287	288	60	34	23	37	127	146	12	11	4	6	61	54		
●●	288															
Total ●●●●●	575															

*Risk Category

●●● Critical, Major and Significant Risks

●● Moderate, Minor Risks