

Audit Committee – 27 July 2020

Internal Audit Progress Report 2020/21

1. Summary of report

- 1.1 This report provides an update to Audit Committee on Internal Audit's progress against the 2020/21 audit plan.

2. Recommendations

- 2.1 That Audit Committee notes the contents of this report.

3. Background

- 3.1 The audits in the plan have been proposed on the basis of the Council's current Strategic and Directorate Risk Registers; the Walsall Proud Programme, which will continue to give rise to significant change in the organisation in 2020/21; any emerging legislation which will impact the Council in 2020/21; and the recent impacts of Covid-19.
- 3.2 Although impacted by Covid-19 and remote working, we have completed a number of schools audits and grant assurance pieces of work by amending the scopes of the audits to accommodate the new working arrangements.

4. Resource and Legal Consideration

- 4.1 The Accounts and Audit Regulations 2015 came into effect on 1 April 2015 and require councils to undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

5. Citizen Impact

- 5.1 Internal audit work is intended to ensure that effective systems of internal control are in place. This protects the council and its officers and provides an assurance to stakeholders and citizens regarding the security of the council's operations.

6. Performance and Risk Management issues

- 6.1 Part of internal audit's role is to provide assurance on the council's performance and risk management arrangements. Internal audit's programme of work is risk assessed to ensure areas most at risk are examined as a priority.
- 6.2 Regular updates will be provided to Audit Committee on progress against the approved Internal Audit Plan for 2020/21.
- 6.3 KPI performance for the first quarter of 2020/21 is detailed below, with all KPI's currently on target.

Standard	Target	Actual as at 31/03/20
Achieve the Annual Audit Plan	100% audits in the annual plan to be completed to draft report stage within 15 working days of the 31 March of each year.	End of Year Measure
Produce annual report which includes an overall assurance opinion for the Council for the year.	To be produced and issued to the Chief Finance Officer within 15 working days from 31 March each year.	End of Year Measure
Annual review and report on the effectiveness of the risk management strategy and its application with comments and recommendations for changes.	To be produced and issued to the Chief Finance Officer in accordance with the Audit Committee Work Programme & Timetable.	Ongoing Risk Management work with the Council
Annual risk management report which provides assurance that the system of risk management and identification is suitable and sufficient for the purposes of the Annual Governance Statement.	To be produced and issued to the Chief Finance Officer in accordance with the Audit Committee Work Programme & Timetable.	Ongoing Risk Management work with the Council
Effective completion of audit work.	100% draft reports, which include relevant recommendations, are issued within 6 weeks of the commencement of work.	11/11 100%
Achieve performance of quarterly audit work plan	100% expected audits in the quarterly plan to be completed to draft report stage within 15 working days of last day of quarter	11/11 100%
Produce quarterly progress report in accordance with the specification.	To be produced and issued to the Chief Finance Officer within 15 working days of the end of each quarter.	Met for Quarter 1
Produce a quarterly risk management update report	To be produced and issued to the Chief Finance Officer within 15 working days of the end of each quarter.	Strategic Risk Register updates regularly presented to CMT and Audit Committee. Risk sessions across the Council ongoing
Quarterly review of Strategic Risk Register (SRR) and report for Corporate Management Team and Audit Committee	To be produced and issued to the Chief Finance Officer within 15 working days of the end of each quarter.	Strategic Risk Register updates presented to CMT and Audit Committee. Next update to Audit Committee 27th July

6.4 The following table sets out the Performance Standards against which the success of the contract is measured. Quarter 1 performance for 2020/21 is currently on target for all areas apart from producing draft reports within 10 working days of the exit

meeting, where 2 audits have seen slight delays (11 and 12 days respectively rather than 10) due to the impact of Covid-19 and remote working.

Standard	Target	Actual as at 31/03/20
Notification of planned audits to Secondary Clients. (Not surprise visits).	Secondary Clients to be notified of the start date of each audit (100%) at least 15 working days in advance.	15/15 100%
Issue audit brief.	100% of audit briefs to be submitted to the Secondary Client for comment and approval at least 10 days prior to commencement date of each audit.	15/15 100%
Conduct exit meetings.	100% to be carried out with Secondary client or their representative within 5 days of the completion of all audit work at a pre arranged time, as specified in the audit brief.	11/11 100%
Produce draft report, which reflects the agreed brief.	100% to be produced and issued by the date set out in the terms of reference and within 10 working days of the exit meeting.	9/11 82% exceptions - Blue Coat Federation and Castlefort Primary School
Produce final report.	100% to be produced and issued with 5 working days of receipt of management response to draft report.	10/10 100%
Complete National Fraud Initiative (NFI) data matching exercise.	Ensure that all data matches are reviewed and investigated on an annual basis in accordance with the timetables provided.	2020/21 data matching process not yet commenced by NFI
Counter fraud work	To maintain and update counter fraud policies, the counter fraud toolkit, training and other counter fraud work as agreed in advance with the Chief Finance Officer.	Ongoing as required
Follow up on all high priority actions	Reports produced in accordance with timetables set out in the Specification.	Ongoing and progress reported to each Audit Committee
Specialist IT / risk audits	Quarterly report detailing percentage of time of qualified or specialist staff utilised in delivery of the audit and risk work undertaken during the quarter	Completed as part of monitoring information
Respond to unsatisfactory client satisfaction questionnaires/CMT feedback	To be provided to the Chief Finance Officer within 10 working days	N/A
Attendance at planned meetings with both the Chief Finance Officer and external audit as detailed throughout this specification.	Meetings attended by Contract Manager	Ongoing
Attend the Audit Committee meetings in accordance with the Audit Committee Work Programme and Timetable	Meetings attended by Partner or Director or Contract Manager	Ongoing

Standard	Target	Actual as at 31/03/20
Provision of audit helpline	Summary of advice provided, to be submitted to chief Finance Officer prior to discussion at quarterly meetings.	Completed as part of monitoring information
Provision confidential reporting hotline answer phone facility.	Summary of calls received and action taken to be submitted to chief Finance Officer prior to discussion at quarterly meetings.	None received
Quality control system	Copy to be provided to Chief Finance Officer on an annual basis	Provided
Compliance with the PSIAS via external accreditation	To provide evidence of the external accreditation	External Assessment completed in 2019 and results shared with Chief Finance Officer.
Provide training for Council Officers, Project Managers and Members in the principles and practices of Risk Management	Provision of training as agreed by the Chief Finance Officer	Member training scheduled in Audit Committee work programme
Audit and Risk Training Programme	To provide a copy to the Chief Finance Officer on an annual basis	Updated as part of strategy review in December 2018. Next review December 2020

7. Equality Implications

- 7.1 Internal audit has full regard to equalities both within the internal audit service and in the services / activities under review.

8. Consultation

- 8.1 The annual work plan 2020/21 was consulted upon before its endorsement by executive directors, senior managers, and the Chief Finance Officer. It will be presented to Audit Committee in a separate agenda item at this meeting.

9. Background Papers

- 9.1 Internal Audit reports/monitoring information

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WALSALL COUNCIL

INTERNAL AUDIT PROGRESS REPORT

Audit Committee – 27th July 2020

Status of our reports

This report ("Report") was prepared by Mazars LLP at the request of Walsall Council and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of Walsall Council and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in Appendix 5 of this report for further information about responsibilities, limitations and confidentiality.

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Introduction

This progress report to the Audit Committee covers the work carried out since the last audit committee by Mazars LLP.

Audit planning discussions with key members of management had been completed prior to the Covid-19 pandemic, and their suggestions included in the plan. However, while these suggestions may remain important, some aspects of service delivery and ways of working will have to be transformed and systems of internal control need to change along with these. The Covid-19 Strategic Risk Register has informed some of the audits included in the proposed plan, and the Corporate Management Team has approved these suggestions. We will adapt our approach to ensure that front line services are not impaired by our work, but we must continue to assure members and management that risks are being managed effectively.

The Internal Audit Standards Advisory Board has developed guidance to support both heads of internal audit and individual auditors working in the UK public sector and we will be complying with this guidance in all of our work.

The schools audits we have completed since April have all been carried out remotely and we have amended the usual scope accordingly. Where there are known risks within the omitted scope areas, we have agreed with the schools that we will carry out specific testing in these areas later in the year.

Background

The purpose of the internal audit plan is to identify the work required to achieve a reasonable level of assurance to be provided by Mazars LLP in compliance with the Code of Practice for Internal Audit.

The fundamental role of Internal Audit is to provide senior management and Members with independent assurance on the adequacy, effectiveness and efficiency of the system of internal control, and to report major weaknesses together with recommendations for improvement. This role is fulfilled by carrying out appropriate audit work, normally in accordance with a strategic plan and an annual operational plan, as approved by the Chief Finance Officer and the Audit Committee.

As internal audit is a major source of assurance that the Council is effectively managing the principal risks to the achievement of its corporate objectives, a key rationale for the development of the internal audit plan was the Council's own Strategic, Covid-19 and Directorate Risk Registers and how the internal audit plan can provide this assurance.

Progress to Date

Progress against the 2020/21 Internal Audit Plan is shown in Appendix 1.

We have issued the following 2020/21 Draft reports since the last meeting of the Audit Committee:

- St Mary's of the Angels Catholic Primary School

We have issued the following 2020/21 Final reports since the last meeting of the Audit Committee:

- Blue Coat Federation (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Castlefort Primary School (Evaluation assurance: **Substantial**. Testing assurance **Limited**)
- County Bridge Primary School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- St Anne's Catholic Primary School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Delves Infant & Nursery School (Evaluation assurance: **Good**. Testing assurance **Good**)
- St Peter's Catholic Primary School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- St Francis Catholic Primary School (Evaluation assurance: **Substantial**. Testing assurance **Limited**)
- Salisbury Primary School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Brownhills West Primary School (Evaluation assurance: **Good**. Testing assurance **Substantial**)
- Abbey Primary School (Evaluation assurance: **Limited**. Testing assurance **Substantial**)

We have issued the following 2019/20 Draft reports since the last meeting of the Audit Committee:

- Budgetary Control
- Supplier Resilience

We have issued the following 2019/20 Final reports since the last meeting of the Audit Committee:

- Children's Social Care Caseloads (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Social Media Policies & Procedures (Evaluation assurance: **Limited**. Testing assurance **Limited**)
- Community Safety (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- National Funding Formula (Evaluation assurance: **Good**. Testing assurance **Good**)
- Saddlers Centre Management (Evaluation assurance: **Substantial**. Testing assurance **Limited**)
- School Capital Programme (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Accounts Payable (Evaluation assurance: **Good**. Testing assurance **Good**)
- Council Tax / NNDR (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Cyber Security (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Homelessness (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Accounts Receivable (Evaluation assurance: **Good**. Testing assurance **Substantial**)
- Main Accounting (Evaluation assurance: **Good**. Testing assurance **Good**)
- Adult's Social Care Caseloads (Evaluation assurance: **Good**. Testing assurance **Good**)

- Governance Role of Overview & Scrutiny Committee (Evaluation assurance: **Good**. Testing assurance **Good**)
- Federation School Governance (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Payroll & Pensions Administration (Evaluation assurance: **Limited**. Testing assurance **Limited**)

Progress to Date Follow-up of Recommendations

2017/18, 2018/19, 2019/20, 2020/21

The table below highlights the number of recommendations raised in the final audit reports for 2017/18, 2018/19, 2019/20 and 2020/21. It should be noted that progress in implementing recommendations raised is due for follow up as part of the 2020/21 audit plan, and summary of findings to date is shown in the table below:

Year	Total Recommendations	Implemented and/or no longer relevant	%	Implemented, no longer relevant and/or partly implemented	%
2017/18	375	360	96%	364	97%
2018/19	333	308	93%	319	96%
2019/20	227	185	81%	190	86%
2020/21	45	29	64%	29	64%





The table below highlights the number of outstanding high priority actions:

Year	Partly Implemented	Not Implemented	Not Yet Due	Superceded
2017/18	1			
2018/19	4	2		
2019/20		6	2	
2020/21		1	1	

Definition of Assurance & Priorities

Audit assessment

In order to provide management with an assessment of the adequacy and effectiveness of their systems of internal control, the following definitions are used:

Level	Symbol	Adequacy of system design	Effectiveness of operating controls
Good		There is a sound system of internal control designed to achieve the system objectives.	The controls are being consistently applied.
Substantial		Whilst there is a basically sound system of internal control design, there are weaknesses in design which may place some of the system objectives at risk.	There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
Limited		Weaknesses in the system of internal control design are such as to put the system objectives at risk.	The level of non-compliance puts the system objectives at risk.
Nil		Control is generally weak leaving the system open to significant error or abuse.	Significant non-compliance with basic controls leaves the system open to error or abuse.

The assessment gradings provided here are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board and as such the grading of 'Good' does not imply that there are no risks to the stated control objectives.

Grading of recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
Priority 1	Recommendations which are fundamental to the system and upon which the organisation should take immediate action.
Priority 2	Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
Priority 3	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed.

Priority 1 Recommendations

Nine Priority 1 recommendations have been raised in the final reports issued since the last Audit Committee meeting.

These are included in a separate agenda item.

Appendix 1 – Status of Audit Work 2020/21

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Governance, Fraud & other Assurance Methods	Counter Fraud	Internal Audit will work with the Council in the development of fraud risk, attendance at Midlands Fraud Group meetings and carry out the role of key contact for the NFI and data match reviews	20	2	Q1-Q4							
	Governance and Risk Management	The use of CRSA to provide assurance that managers understand their requirements and take ownership of their responsibilities. Risk Management Workshops for staff and Members. Review of individual risks registers as agreed with management.	40	2	Q1-Q4							
	Assurance Mapping	Mapping assurances against risks across the Council and identifying assurance gaps.	20		Q1-Q4							
Governance, Fraud & other Assurance Methods			80	4								
Other	Follow-up of Recommendations	Follow-up of all priority 1 and 2 recommendations made in final reports issued.	25	5	Q1-Q4							
	Management, Advice and Planning	Including attendance at Audit Committee	70	5	Q1-Q4							
Other total			95	10								
ICT	The specific audits and scopes will be agreed with management.		30		Q3							
ICT total			30									
Schools	To provide the Chief Finance Officer with adequate assurance over standards of financial management and the regularity and probity of spend		115	58	Q1-Q3							
Schools Total			115	58								

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Plan Total			320	72								
Ad Hoc Contingency		Contingency allocation to be utilised upon agreement of the Chief Finance Officer.										
Total			320	72								

School Audits

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Schools	Abbey Primary		5	5	Q1	Final Report Issued (Jul 2020)	Limited	Substantial	1	2	3	
	Blue Coat Federation		10	10	Q1	Final Report Issued (Jun 2020)	Substantial	Substantial	-	3	2	
	Brownhills West Primary		5	5	Q1	Final Report Draft (Jul 2020)	Good	Substantial	-	2	1	
	Castlefort Primary		5	5	Q1	Final Report Issued (Jun 2020)	Substantial	Limited	2	3	2	
	County Bridge Primary		5	5	Q1	Final Report Issued (Jun 2020)	Substantial	Substantial	-	3	1	
	Delves Infants & Nursery School		5	5	Q1	Final Report Issued (Jun 2020)	Good	Good	-	-	1	
	Pool Hayes Primary		4		Q3	ToR Issued						
	Salisbury Primary		5	5	Q1	Final Report Issued (Jul 2020)	Substantial	Substantial	-	3	-	
	Short Heath Federation		10		Q1	ToR Issued						
	St Anne's Catholic Primary School		5	5	Q1	Final Report Issued (Jun 2020)	Substantial	Substantial	-	1	4	
	St Bernadette's Catholic Primary School		5		Q2	ToR Issued						
	St Francis Catholic Primary School		4	4	Q1	Final Report Issued (Jul 2020)	Substantial	Limited	1	6	2	

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
	St Joseph's Catholic Primary School		5		Q2	ToR Issued						
	St Mary's of the Angels Catholic Primary School		5	4	Q2	Draft Report Issued (Jul 2020)						
	St Peter's Catholic Primary School		5	5	Q2	Final Report Issued (Jun 2020)	Substantial	Substantial	-	3	1	
	Whetstone Field Primary School		5		Q3	ToR Issued						
	Whitehall Infants & Nursery School		5		Q3	ToR Issued						
	Rowley View Nursery		4		Q3	ToR Issued						
	Elmwood School		4		Q3	ToR Issued						
	St Francis of Assisi Catholic College		4		Q3	ToR Issued						
	Admin Time inc SFVS		15									
Schools total			120	58			TOR Issued					

Appendix 2 – Summary of Final Reports

Audit	Opinion		Main Findings
	Evaluation	Testing	
Blue Coat Federation	Substantial	Substantial	<ul style="list-style-type: none"> Section 128 checks had not been undertaken for all governors. In one case the order and invoice had been authorised by the same member of staff. Evidence to support transfers from the school fund into the base budget was not held centrally.
Castlefort Primary School	Substantial	Limited	<ul style="list-style-type: none"> The DBS certificate of one governor had expired. Governors had not been informed of a change in supplier that they has approved. School fund and nursery bank account reconciliations are not checked by the Head Teacher.
County Bridge Primary School	Substantial	Substantial	<ul style="list-style-type: none"> A Section 128 check had not been undertaken for one governor. One governor had not completed a declaration of business interest form. Collection and deposit records had not always been signed by the completing and checking officers.
St Anne's Catholic Primary School	Substantial	Substantial	<ul style="list-style-type: none"> A copy of the cheque had not been retained to support a donation made to a charity.
Delves Infant & Nursery School	Good	Good	<ul style="list-style-type: none"> A payment made from the school fund bank account had not been reimbursed from the Delves Den (after school club) bank account.
St Peter's Catholic Primary School	Substantial	Substantial	<ul style="list-style-type: none"> The DBS certificate of one governor had expired and a Section 128 check had not been undertaken for one governor. Income records examined had not been checked by a second officer on one occasion. School fund monthly bank account reconciliations are not checked by the Head Teacher.
St Francis Catholic Primary School	Substantial	Limited	<ul style="list-style-type: none"> Access to declaration of interest forms were not available. Invoices are not always marked as paid. Privacy notices containing information for parents have not been placed on the school website. A copy of the Data Sharing Agreement with the financial support provider was not held at the school
Council Tax / NNDR	Substantial	Substantial	<ul style="list-style-type: none"> In one case there was no evidence to support a discount applied. In four cases the suppression had not been removed when necessary. In two cases, notes supporting the suppression of recovery had not been recorded on Northgate. There are no formal fraud prevention processes in place.
Cyber Security	Substantial	Substantial	<ul style="list-style-type: none"> There is no solution in place to remotely erase portable Apple or Microsoft devices should they become lost or stolen; The control of admin rights is lacking some key controls including admin privileges being added to standard user accounts rather than a unique account. Additionally, the reason for a business user to have admin access required to run particular software is not consistently and transparently recorded;

Audit	Opinion		Main Findings
	Evaluation	Testing	
			<ul style="list-style-type: none"> There is no specific cyber training package in place, or cyber training targets. As at October 2019, the current training statistics reached 60% completion; From inspection of a sample of 10 starters and 10 leavers, it was noted: 5/10 new starters had no approved HR form; 2/10 leavers Active Directory (AD) accounts had been disabled after their leaving date and had not been accessed thereafter.
Homelessness	Substantial	Substantial	<ul style="list-style-type: none"> Agencies are not always sending representatives to the Homelessness Strategy Steering Group meetings. This is a requirement of the group's terms of reference. Minutes of the Homelessness Strategy Steering Group meetings do not include sufficient details of discussions regarding slippage of actions due for implementation included in the Homelessness Strategy action plan. Audit testing identified that decisions taken documentation and correspondence is not always recorded or completed and placed on Abritas, the Council's integrated housing system.
Accounts Receivable	Good	Substantial	<ul style="list-style-type: none"> Debt recovery procedures for smaller aged debts are not always followed
Main Accounting	Good	Good	<ul style="list-style-type: none"> No recommendations have been raised as a result of our work on this audit.
Adult's Social Care Caseloads	Good	Good	<ul style="list-style-type: none"> No recommendations have been raised as a result of our work on this audit.
Children's Social Care Caseloads	Substantial	Substantial	<ul style="list-style-type: none"> Monthly supervision / annual reviews are not always undertaken. The service engages a number of social care agency workers. There is no collation, monitoring and review of exit meetings. At the time of the audit a Health Check Survey had not been completed since 2017/18.
Social Media Policies & Procedures	Limited	Limited	<ul style="list-style-type: none"> The central risk assessment and approval process for the creation, use and control of social media accounts undertaken by the Communications team, is not consistently followed. This often results in the adequacy of the central controls being compromised. For example, we noted a 'Pinterest' social media account in the Council's name, but the Communications team were unaware of this account; Accountability and ownership for the monitoring of Council social media accounts has not been implemented and adopted by service managers and officers; Training on the correct procedures and proper conduct for Council social media accounts
Community Safety	Substantial	Substantial	<ul style="list-style-type: none"> Within the Community Safety Plan, there is no evidence of internal links within Council departments, or any action to be taken by other relevant service areas at a lower level within the Council.
National Funding Formula	Good	Good	<ul style="list-style-type: none"> No recommendations have been raised as a result of our work on this audit.
Saddlers Centre Management	Substantial	Limited	<ul style="list-style-type: none"> Actions taken to recover growing arrears is not consistently documented or reported.

Audit	Opinion		Main Findings
	Evaluation	Testing	
			<ul style="list-style-type: none"> The Council are still holding over on the facilities management contract that was in use prior to acquisition.
Governance of Overview & Scrutiny Committee	Good	Good	<ul style="list-style-type: none"> No recommendations have been raised as a result of our work on this audit.
Federation Schools Governance	Substantial	Substantial	<ul style="list-style-type: none"> Governor / federation information had not been recorded on the Get Information about Schools website by all of the federated schools. It has not yet been determined how the surplus Cadmus 2019/20 budget will be returned to the schools that made contributions.
Payroll & Pensions Administration	Limited	Limited	<ul style="list-style-type: none"> In one case a fixed term contract had not been ended resulting in an overpayment. In one case a compensation payment had been made to an employee twice in error. In one case an overpayment had been made due to sickness absence pay being reinstated.
Salisbury Primary School	Substantial	Substantial	<ul style="list-style-type: none"> Due to issues with the quality of governor meeting minutes, not all minutes have been agreed as a true record. Evidence of two officers checking income is not maintained. Income credited to the LMS bank account is not transferred to the base budget promptly.
Brownhills West Primary School	Good	Substantial	<ul style="list-style-type: none"> In one case an order had not been raised and the invoice had not been marked as paid. There is only one current member of staff included on the school fund bank mandate.
Abbey Primary School	Limited	Substantial	<ul style="list-style-type: none"> One governor / officer had not completed a declaration of business interest form. Only one officer is involved with the banking of income.

Appendix 3 – Summary of Unplanned/Irregularity Reports

No unplanned or irregularity reports have been issued since the last meeting of the Audit Committee.

Appendix 4 - Follow-up of Recommendations 2017/18, 2018/19, 2019/20 and 2020/21

Follow-up audits have been undertaken in accordance with the 2020/21 audit plan. The objective was to confirm the extent to which the recommendations made in 2017/18, 2018/19, 2019/20 and 2020/21 internal audit final reports have been implemented.

Summary of Recommendations Raised and Follow Up Status - 2017/18

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
RIPA April 2018	Substantial / Substantial	10	3					7		-	Sep 2018	Mar 2020	
Adult Social Care Market Management April 2018	Limited / Substantial	7	4	1	2					-	Dec 2018	Dec 2020	
Domiciliary Care June 2018	Limited / Limited	13	11					1		1	Apr 2019	Nov 2020	
Streamlining of Services (Re-design of Library Service) March 2018	Substantial / Substantial	4	-		1			3			Oct 2019		
		34	18	1	3	-	-	11	-	1	-	-	

Summary of Recommendations Raised and Follow Up Status - 2018/19

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
Licensing November 2018	Limited / Limited	11	6	2	3						Mar 2020	Oct 2020	
Millfield Primary School October 2018	Limited / Limited	17	16		1						Nov 2018	Jul 2020	
Residential & Nursing Care April 2019	Limited / Limited	13	11	1			1				Mar 2020	Dec 2020	
Communication & Staff Engagement June 2019	Substantial / Substantial	3	2					1			Dec 2019		
Procurement June 2019	Substantial / Limited	11	2	1			1	7			Apr 2020		
Workforce Plans June 2019	Substantial / Substantial	4	2		2						Dec 2019	Jul 2020	
ICT Business Continuity June 2019	Limited / Limited	4	1								Sep 2020		3
Commissioning of Placements	Limited / Substantial	9	7		1			1			Oct 2019	Sep 2020	

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
(LAC and SEND)													
		72	47	4	7		2	9					3

Summary of Recommendations Raised and Follow Up Status - 2019/20

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
New Art Gallery September 2019	Limited / Substantial	6	1								Mar 2020		5
Apprenticeships December 2019	Substantial / Substantial	4	1								Jul 2020		3
Housing Benefits & Council Tax Support November 2019	Substantial / Substantial	2	1					1			Mar 2020	Sep 2020	
Holy Trinity Catholic Primary School December 2019	Limited / Limited	12	9		2			1			Mar 2020	Jul 2020	
New Invention Infant School December 2019	Limited / Substantial	14	12		1						Mar 2020	Jul 2020	1
St Patricks Catholic Primary School January 2020	Substantial / Limited	12	11		1						Jan 2020	Jul 2020	
Saddlers Centre Management March 2020	Substantial / Limited	5									Sep 2020		5
Children's Social Care Caseloads	Substantial / Substantial	7	4								Jul 2020		3

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
February 2020													
School Capital Programme	Substantial / Substantial	1									Mar 2020		1
February 2020													
Social Media	Limited / Limited	6									Apr 2021		6
February 2020													
Accounts Receivable	Substantial / Substantial	1									Aug 2020		1
April 2020													
Council Tax / NNDR	Substantial / Substantial	5	2								Jul 2020		3
March 2020													
Payroll & Pensions Administration	Limited / Limited	6	1		1						Sep 2020		4
June 2020													
Federation School Governance	Substantial / Substantial	3	2								Oct 2020		1
May 2020													
Cyber Security	Substantial / Substantial	4	2								Sep 2020		2
April 2020													
		88	46		5			2					35

Summary of Recommendations Raised and Follow Up Status - 2020/21

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
Blue Coat Federation June 2020	Substantial / Substantial	5	3								Sep 2020		2
Castlefort Primary June 2020	Substantial / Limited	7	3								Sep 2020		4
County Bridge Primary June 2020	Substantial / Substantial	4	3		1						Jul 2020		
St Anne's Catholic Primary School June 2020	Substantial / Substantial	4	3								Jul 2020		1
St Peter's Catholic Primary School June 2020	Substantial / Substantial	4	1								Jul 2020		4
St Francis Catholic Primary School July 2020	Substantial / Limited	8	7								Sep 2020		1
Brownhills West Primary School July 2020	Good / Substantial	3	2								Sep 2020		1

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
Abbey Primary School July 2020	Limited / Substantial	6	4								Sep 2020		2
Salisbury Primary School July 2020	Substantial / Substantial	3	2								Oct 2020		1
		44	28										16

Appendix 5 – Statement of Responsibility

We take responsibility to Walsall Council for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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