



WALSALL COUNCIL

INTERNAL AUDIT PROGRESS REPORT

Audit Committee – 16th January 2017

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Introduction

This progress report to the Audit Committee covers the work carried out during the period April 1st 2016 to 31st December 2016 by Mazars Public Sector Internal Audit Limited.

Appendix 1 outlines progress to date against the 2016/17 Internal Audit Plan.

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 Corporate and Directorate Risk Registers and how the internal audit plan can provide this assurance.

Progress to Date

Audit fieldwork on the 2016/17 Internal Audit Plan has progressed well and progress against the Plan is shown in Appendix 1.

We have issued the following Draft Reports for which we are awaiting the final management responses before issuing the Final Report:

- Code of Conduct for Operational PFI/PPP Contracts
- Facilities Management
- Cyber Security
- Little Bloxwich CE Primary School
- Abbey Primary School
- Bluecoat Foundation
- St Bernadette's Catholic Primary School
- Brownhills West School
- St Mary of the Angels Catholic Primary School.

Follow-up of Recommendations

2015/16 and 2016/17

The table below highlights the number of recommendations raised in the audit reports for 2015/16 and 2016/17. It should be noted that progress in implementing recommendations raised is due for follow up as part of the 2016/17 audit plan, and summary of findings to date is shown in the table below:





Year	Total Recommendations	Implemented and no longer relevant	%	Implemented, no longer relevant or partly implemented	%
2015/16	454	343	76%	352	78%
2016/17	89	64	72%	64	72%

Appendix 4 provides a summary of the status of all 2015/16 and 2016/17 recommendations where the proposed implementation date was at or before 30th November 2016.

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	Evaluation Assessment	Testing Assessment
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

No priority 1 recommendations have been raised in the Final reports issued to date.

Appendix 1 – Status of Audit Work 2016/17

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Core Financial Systems	Main Accounting	Covering adequacy and effectiveness of controls including access control, journals, virements, etc. CRSA to be applied.	10		Q4							
	Treasury Management, Cash & Bank	Covering adequacy and effectiveness of controls over investments, loans, management information, etc. CRSA to be applied.	10		Q4							
	Accounts Receivable	Covering adequacy and effectiveness of controls over the Accounts Receivable system. CRSA to be applied.	10	9	Q3	Fieldwork completed						
	Accounts Payable	Covering adequacy and effectiveness of controls over the payment of creditor invoices. CRSA to be applied.	10	9	Q3	Fieldwork completed						
	Budgetary Control	To cover strategic approach to co-ordinating budgetary control, monitoring and reporting, and also testing a sample of departments.	10		Q4							
	Council Tax	Covering adequacy and effectiveness of controls including liabilities, billing, cash collection, recovery and accounting. CRSA to be applied.	15		Q4							

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
	NNDR	Covering adequacy and effectiveness of controls including Business Rate Retention Scheme, liabilities, billing, cash collection, recovery and accounting. CRSA to be applied.	15		Q4							
	Housing Benefit & Local Council Tax Support	Covering adequacy and effectiveness of controls including new claims, size criteria, benefit caps, amendments, backdated benefits, payments and reconciliations. CRSA to be applied.	20	15	Q3	Work in progress						
	Payroll and Pensions Administration	Covering adequacy and effectiveness of controls over starters, leavers, amendments, etc.	15	10	Q3	Work in progress						
	Asset Management	Assurance over the design and application of controls relating to areas such as asset management strategy, capital accounting, partnership arrangements with voluntary sector / local community groups, etc.	10		Q4							
	Core Financial Systems Total			125	43							
Operational Risks	Change and Governance											
	Homelessness	Covering adequacy and effectiveness of controls over homelessness, including the approach to developing the Homelessness Prevention Strategy	15	14	Q2	Fieldwork completed						
	Human Resources	Covering adequacy and effectiveness of key controls over recruitment, workforce planning, sickness absence and training	15	0.5	Q4	Terms of Reference Issued						

Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
						Evaluation	Testing	1	2	3	
Economy and Environment											
Public Health Information Governance	To cover controls over handling, storing and sharing personal information, reporting data breaches and management reporting.	15		Q4							
Active Living Centres	Covering adequacy and effectiveness of key controls over project management arrangements.	10	9	Q2	Fieldwork completed						
Code of Conduct for Operational PFI/PPP Contracts	Covering the engagement with PFI/PPP partners to improve operational efficiency, and explore opportunities for cost reduction.	10	9.5	Q1	Draft Report Issued						
Town and District Centres Markets	To cover controls over the operation of a sample of markets within the borough to ensure secure collection and maximisation of income.	10	9	Q2	Fieldwork completed						
CRC Energy Efficiency Scheme	Annual audit and sign off	10	10	Q2	Final report issued	Substantial	Limited	-	6	6	
Local Growth Fund	Annual audit and sign off	5	5	Q2	Completed	N/A					
Children's Services											
Troubled Families	Covering adequacy and effectiveness of controls in place over eligibility, payments and achievement of progress measures.	10	5	Q2 & Q4	Q2 Final Report Issued	Substantial	Good	-	-	-	Sample testing to confirm September 2016 grant application

Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
						Evaluation	Testing	1	2	3	
Adoption and Fostering	Covering controls in place to safeguard children being moved from care into adoption and fostering arrangements, and that appropriate contact arrangements are in place.	10	9	Q3	Fieldwork completed						
Residential Care	Covering controls in place regarding the quality and safety of children's residential care.	15		Q4							
Schools Improvement Service	To cover the effectiveness of the arrangements in place to support school improvement and to facilitate co-operation between schools.	10		Q4							
Multi-Agency Working (MASH)	Covering Children's Services	15		Q4							
Pheasey Park Farm Children's Centre	Covering governance and financial controls in place at the Children's Centre	5	4.5	Q2	Draft Report Issued						
Adult Social Care											
Deputyships and Appointeeships	To cover controls in place over expenditure and income received, and to ensure legal requirements are met and assets are safeguarded.	10	9.5	Q1	Draft Report Issued						
Direct Payments and Personal Budgets	Covering controls over the eligibility assessment and monitoring of payments to ensure that vulnerable adults receive appropriate level of care (to include ILF transfers).	15		Q4							
Community Alarms and Telecare Service	Covering controls over the service provided to vulnerable clients.	10		Q4							
Community Capacity Grant	Annual audit and sign off	5	5	Q2	Completed	N/A					

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
	End to End Operating Model	Carried forward from 2015/16	10		Q4							
	Resource Allocation and Support Planning	Carried forward from 2015/16	10		Q4							
Operational Risks Total			215	90								
Strategic Risks	Procurement	Covering adequacy and effectiveness of the Council's corporate approach to procurement, including impact of new EU Procurement Directives.	25	0.5	Q2-Q4	Scoping meeting held						
	Contract Management	Covering adequacy and effectiveness of the Council's corporate approach to contract management.	25	0.5	Q2-Q4	Scoping meeting held						
	Facilities Management	Covering the controls in place over accommodation arrangements, security, cleaning and insurance.	15	14.5	Q2	Draft report issued						
	Partnership Arrangements and Shared Services	Review the arrangements in place for joint strategic needs assessments and the changes in commissioning services.	20	0.5	Q3	Scoping meeting held						Request made by Head of Business Change to defer to 2017/18 due to service restructure.
	Regeneration including Local Enterprise Partnerships	Project management assurance in respect of significant regeneration schemes.	20		Q4							
	Performance Management	Covering adequacy and effectiveness of the Council's strategic approach to performance management (including management information, target setting, reporting, roles and responsibilities)	15		Q4							
Strategic Risks Total			120	16								

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
	Counter Fraud	Internal Audit will work with the Council in the development of a fraud risk register, the provision of fraud awareness training, pro-active fraud exercises and reactive investigations.	30	8	Q1-Q4							Attendance at Midlands Fraud Group and CIPFA Fraud presentation, NFI work
	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.	30	10	Q1-Q4							ICT Risk Management session, CRR updates
	Continuous Auditing/Data Mining	Data analysis scripts will be written on which both identify anomalies as well as comparing the number of anomalies occurring on a period by period basis. Suggested areas of review are Payroll, Accounts Payable or Asset Management.	20		Q2-Q4							
	Benefit/Savings Realisation	To provide assurance that processes are in place to measure such initiatives.	20		Q3							
	CRSA	The use of CRSA to provide assurance that managers understand their requirements and take ownership of their responsibilities. To be utilised on a number of the core financials and will be issued prior to fieldwork and used to scope the audit.	15	7	Q3-Q4							
Governance, Fraud & other Assurance Methods			115	25								

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
ICT	Cyber Security	Information Risk Mgmt, Network Security, Secure Configuration, User Education and Awareness, Malware Prevention, Removable Media Controls, Managing User Privileges including 3rd party access, Incident Management, Monitoring and monitoring tools used and Home and Mobile Working.	10	9.5	Q3	Draft Report issued						
	The specific audits and scopes will be agreed with management	The specific audits and scopes will be agreed with management	30	3	Q4							
ICT total			40	12.5								
Other	Follow-up of Recommendations	Follow-up of all priority 1 and 2 recommendations made in final reports issued.	30	22	Q1-Q4							
	Management and Planning	Including attendance at Audit Committee	85	50	Q1-Q4							
Other total			190	72								
Schools	To provide the Chief Finance Officer with adequate assurance over standards of financial management and the regularity and probity of spend	To provide the Chief Finance Officer with adequate assurance over standards of financial management and the regularity and probity of spend	120	111.5								
Schools Total			120	111.5								
Plan Total			850	370								
Ad Hoc/Contingency		Contingency allocation to be utilised upon agreement of the Chief Finance Officer. -Completion of 15/16 audit work	70	10								
TOTAL			920	380								

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Schools	County Bridge Primary School		5	5	Q1	Final Report Issued	Substantial	Substantial	-	4	10	
	Pool Hayes Primary School		5	5	Q1	Final Report Issued	Substantial	Substantial	-	4	12	
	Whitehall Infants School		5	5	Q1	Final Report Issued	Substantial	Substantial	-	6	9	
	Elmwood School		5	5	Q1	Final Report Issued	Good	Substantial	-	1	3	
	Delves Infants School		5	5	Q1	Final Report Issued	Good	Substantial	-	2	4	
	St Joseph's Catholic Primary School		5	5	Q1	Final Report Issued	Substantial	Substantial	-	3	2	
	St Anne's Catholic Primary School		5	5	Q1	Final Report Issued	Substantial	Substantial	-	5	9	
	St Francis Catholic Primary School		5	5	Q1	Final Report Issued	Good	Substantial	-	1	-	
	St Peter's Catholic Primary School		5	5	Q2	Draft Report Issued	Substantial	Substantial	-	4	7	
	Rowley View Nursery		5	5	Q2	Final Report Issued	Substantial	Good	-	-	4	
	Whetstone Field Primary School		5	4.5	Q2	Draft Report Issued						
	Castlefort Primary School		5	4.5	Q2	Draft Report issued						
	Little Bloxwich CE Primary School		5	4.5	Q3	Draft Report Issued						
	St Francis of Assisi Catholic Technology College		5	4.5	Q2	Draft Report Issued						
	Abbey Primary School		5	4.5	Q3	Draft Report Issued						
	Short Heath Federation		15	12	Q3	Fieldwork Completed						

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
	Blue Coat Foundation		10	9.5	Q3	Draft Report Issued						
	St Bernadette's Catholic Primary School		5	4.5	Q3	Draft Report Issued						
	Brownhills West School		5	4.5	Q3	Draft Report Issued						
	St Mary's of the Angels Catholic Primary School		5	4.5	Q3	Draft Report Issued						
	Admin Time		5	4								
Schools total			120	111.5								

Appendix 2 – Summary of Unplanned/Irregularity Reports

Brief outlines of the work carried out, a summary of our key findings raised and the assurance opinions given (if applicable) in respect of unplanned/irregularity reports issued since the last meeting of the Audit Committee will be provided in this section.

No unplanned/irregularity work has been carried out to date for 2016/17

An update on progress of 2015/16 unplanned/irregularity work has been included in a separate report.

Appendix 3 - Follow-up of Recommendations 2015/16 and 2016/17

Follow-up audits have been undertaken in accordance with the 2016/17 audit plan. The objective was to confirm the extent to which the recommendations made in 2015/16 and 2016/17 internal audit final reports have been implemented.

Outstanding and Partly Implemented High Priority Recommendations from 2015/16

Audit/Report Date	Assurance	Recommendations	Management Response	Status	Responsibility and Due Date	Update Position
Solihull Framework June 2016	Limited	Key Performance Indicators	KPI files have been received for 6 months; these are now being reviewed in monthly strategic meetings between Walsall Council, Solihull and their service providers. The meetings are being minuted.		Integrated Facilities Management Manager October 2016	KPI information being received monthly – Implemented
		Quality Checks	A formal recording process will be implemented and officers instructed on its use. A formal process map will also be developed and issued.		Integrated Facilities Management Manager October 2016	Checks are now being recorded – Implemented
Jane Lane School April 2016	Limited	Reconciliations	Regular reconciliations between the accounting records and bank statements for the school's accounts are now undertaken and independently reviewed.		School Finance and Personnel Officer December 2016	Not Yet Due
		Income Collection	An accurate income record is now completed detailing date received, person receiving income and what/who income relates to. Income relating to the school fund is now banked intact.		School Finance and Personnel Officer December 2016	Not Yet Due

Audit/Report Date	Assurance	Recommendations	Management Response	Status	Responsibility and Due Date	Update Position
		Inventory Security Marking	All portable assets will be security marked to deter theft and to help identify equipment if stolen and found. An annual check of the inventory will be undertaken and evidenced by the signature(s) of the members of staff involved and the date completed.		Headteacher December 2016	Not Yet Due
		Inventory Update	Inventory items are now entered in the inventory record as soon as they are received.		Headteacher December 2016	Not Yet Due
Customer Engagement, Consultation and Complaint Management December 2015	Borderline Significant	Consultation Plans in Place	The Key Decisions document will be fully completed in terms of whether there is a consultation plan in place. Where there is no consultation plan in place, the reasons for this will be clearly stated in the pre-consultation column.		Manager of Corporate Performance Management Oct 2016	Work In Progress - No response from December Follow-Up.
		Monitoring of Consultation Activity	The enhanced 'Key Decisions' document will be used to capture and share key learning arising from consultation exercises.		Manager of Corporate Performance Management Oct 2016	Work In Progress - No response from December Follow-Up.
		Complaints	The roll out of the Mosaic system will include reviewing use of the complaints function. If it is decided to use this function, then this will be documented into a procedure, ensuring that the recording of the complaint is sufficiently detailed and consistent.		Manager of Corporate Performance Management Oct 2016	Work In Progress - No response from December Follow-Up.

Audit/Report Date	Assurance	Recommendations	Management Response	Status	Responsibility and Due Date	Update Position
Shared Lives May 2016	Borderline Significant	Carers Record Management	<p>In undertaking the recruitment of carers it is now ensured that:</p> <ul style="list-style-type: none"> ·A file checklist is complete. ·A pre-assessment meeting record is completed. ·A medical report is obtained. ·The assessment form is signed by all relevant parties. <p>All carers are included within the carers training spreadsheet.</p>		<p>Lead Reablement Officer</p> <p>Dec 2016</p>	Not Yet Due
		Referrals and Placements	<p>It will be ensured that the following documents are completed and held on Mosaic:</p> <ul style="list-style-type: none"> ·referral to broker form ·support plan ·RAP checklist and the validation request case note detailing the funding approval <p>It will be ensured that the following documents are completed and held on Mosaic / the service user file:</p> <ul style="list-style-type: none"> ·fully completed and signed service user plan ·risk assessment ·fully completed and signed placement agreement ·license agreement ·6 week review. 		<p>Group Manager - Learning Disability</p> <p>Dec 2016</p>	Not Yet Due
		Payments to Carers	<p>It will be ensured that:</p> <p>Evidence that the funding has been approved is held on Mosaic.</p> <p>Support plans are held on Mosaic.</p> <p>Officers will liaise with brokerage regarding differences in payments being made for day care and overnight stays to ensure that they are in accordance with the Social Care Community Based Contributions Policy.</p>		<p>Group Manager - Learning Disability</p> <p>Dec 2016</p>	Not Yet Due

Audit/Report Date	Assurance	Recommendations	Management Response	Status	Responsibility and Due Date	Update Position
Adult Safeguarding November 2015	Borderline Significant	Completion of case documentation including risk assessments and protection plans	Synopsis of case audit findings will be completed, agreed with audit and shared at AACM manager meeting.		Team Manager - Safeguarding Adults Complex Case Management and Service Manager – Reablement Sept 2016	Work In Progress - No response from December Follow-Up.
		Safeguarding Alerts	Historical safeguarding alerts will be promptly reviewed to identify the outcome of the case, the manager's decision will be clearly recorded and cases will be closed where appropriate.		Service Manager – Reablement Sept 2016	Work In Progress - No response from December Follow-Up.
		Procurement	The mental health assessment service will be reviewed and subject to a competitive tendering exercise.		Interim Head of Service for Community Care September 2016	Work In Progress - No response from December Follow-Up.
		Closure of Adult Protection cases	Review and authorisation of closure of all adult safeguarding cases will be evidenced and retained on Mosaic.		Service Manager – Reablement September 2016	Work In Progress - No response from December Follow-Up.
St Thomas of Canterbury Catholic Primary School March 2016	Borderline Significant	Bank Account Mandate and Cheque Signatories	Due to a number of ongoing issues with Santander changing their paying in method and the school not receiving information requested to apply for a paying in card, steps have been taken to change business banking to Barclays. It will be ensured that 2 signatories are required to sign a cheque.		Headteacher December 2016	Not Yet Due
			A record sheet is now maintained for all cash collected. Two members of staff are now involved in the recording and banking of income. Receipts are now issued for school fund income in excess of £5.		Headteacher December 2016	Not Yet Due
			Cash will be banked on a regular basis to ensure that the safe insurance limit is not exceeded.		Headteacher December 2016	Not Yet Due

Audit/Report Date	Assurance	Recommendations	Management Response	Status	Responsibility and Due Date	Update Position
		Reconciliations	Reconciliations and bank statements are now signed and dated by the members of staff preparing and reviewing them to evidence that the appropriate checks have been carried out.		Headteacher December 2016	Not Yet Due
		School Development Plans	Future school development plans will cover a three year period and include long term financial plans and timescales / deadlines beyond the current year. The plan will be approved by the governing body.		Headteacher December 2016	Not Yet Due
Bank Account Reconciliations November 2015	Significant	Bank Account Controls and Training	The review of all Council bank accounts and delivery of account training will be prioritised to allow a review schedule to be formulated and implemented.		Accountancy Officer / Treasury Management Officer Dec 2016	Not Yet Due
Bereavement and Registration Services September 2015	Significant	Joint Working Arrangements	Joint working arrangements with the Walsall Healthcare NHS Trust and the Register Office will be documented detailing the responsibilities of each party.		Superintendent Registrar Mar 2017	Not Yet Due
Blakenell Heath Junior School January 2016	Significant	Audit of accounts	The current bank account will be audited as soon as possible after the closure of the financial period. An auditor's statement will be presented to the governing body within 3 months.		School Business Manager Oct 2016	Not Implemented Revised Implementation 31/01/17
		School Fund reconciliations	It will be ensured that reconciliations between the accounting records and bank statements for the school fund are completed and independently reviewed on a monthly basis. Both members of staff involved in the process will sign and date the reconciliation to evidence the tasks they have undertaken.		School Business Manager Oct 2016	Implemented

The table below provides a summary of the status of 2015/16 recommendations that have not been reported as implemented at previous Audit Committee meetings.

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				
Mental Health Follow Up May 2015	Limited Progress	16	13	1			2				Sept 2015	See Separate Report	
Solihull Framework June 2016	Limited	13	10								Oct 2016	Jan/Mar 2017	3
Jane Lane School April 2016	Limited	31	27				4				Oct 2016		
Christchurch Primary School February 2016	Limited	36	35					1			Sep 2016	Jan 2017	
ICT Risk Management June 2016	Limited	6	0								Dec 2016		6
Residential Charging May 2016	Limited	30	4								Dec 2016		26
Social Media June 2016	Limited	11	0								Mar 2017		11
Adult Safeguarding November 2015	Borderline Significant	24	19				4	1			Sept 2016		
Customer engagement, consultation and complaint	Borderline Significant	30	20		2		3	5			Mar 2016	Oct 2016	

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				
management December 2015													
St Thomas of Canterbury Catholic Primary School March 2016	Borderline Significant	22	13				5	3		1	Sep 2016	Nov 2016	
Shared Lives May 2016	Borderline Significant	10	6								Jun 2016	Dec 2016	4
Cloud Computing June 2016	Borderline Significant	4	0							1	Jun 2017		3
Green Spaces January 2016	Significant	9	8		1						Jan 2016	On hold due to decision not to update software in this financial year.	
Software Licensing April 2016	Significant	7	7								Sept 2016		
Better Care Fund May 2016	Significant	2	1					1			Sep 2016		
Blakenall Heath Junior January 2016	Significant	13	12				1				Sep 2016		

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				
Bank Account Reconciliations November 2015	Significant	11	7	1	2					1	Jan 2016	Dec 2016	
Council Tax/NNDR March 2016	Significant	10	3								Dec 2016		7
Housing Benefit & Council Tax Reduction Follow Up May 2016	Significant	6	4								Dec 2016		2
Stroud Avenue Family Centre Follow Up March 2016	Significant	1	0								Jun 2016	Jan 2017	1
Bereavement & Registration (including Coroner) September 2015	Significant	14	12	1	1						Mar 2016	Mar 2017	
Accommodation Services Follow Up November 2015	Significant	5	3								Feb 2016	Mar 2017	2
Accounts Receivable Follow Up June 2016	Significant Progress	10	3								Mar 2017		7
		321	207	3	6		19	11		3			72

Fully implemented 2015/16 audit reports

Title	Assurance Level	Raised	Implemented	No Longer Relevant
Capital Accounting	Significant	5	5	
Capital Programming	Significant	2	2	
Cash and Bank	Significant	2	2	
Nominal Ledger	Significant	1	1	
Treasury Management	Significant	2	2	
Troubled Families Grant January 2016 Claim	Significant	1	1	
Community Capacity Grant	Significant	1	1	
Autism Innovation Capital Grant	Significant	1	1	
Personal Budgets inc Direct Payments	Limited Progress	16	16	
Looked After Children Follow Up	Significant	5	5	
Schools Property Maintenance Follow Up	Significant	3	3	
Asset Management Follow Up	Limited Progress	6	6	
Growth Deal	Significant	4	4	
Corporate Risk 3b	Significant	3	3	
Payroll Follow Up	Significant	8	8	
Corporate Risk 3a	Significant	6	6	
Accounts Payable Follow Up	Significant	12	12	
Corporate Risk 9	Significant	5	5	
Leamore Primary School	Significant	12	12	

Title	Assurance Level	Raised	Implemented	No Longer Relevant
Phoenix School	Significant	19	19	
Sunshine Infants & Nursery School	Significant	7	7	
Greenfield Primary School Follow Up	Significant Progress	1	1	
Carbon Reduction Commitment Efficiency Scheme (CRC)	Significant	11	7	4
		133	129	4

The tables below provide a summary of the status of all 2016/17 recommendations where the proposed implementation date was at or before 30th November 2016 and have not been reported as implemented at the previous Audit Committee meeting.

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				
Delves Infant & Nursery School October 2016	Good / Substantial	6	4								Mar 2017		2
Elmwood School July 2016	Good / Substantial	4	1								May 2017		3
St Francis Catholic Primary School September 2016	Good / Substantial	1	1										
Rowley View Nursery September 2016	Substantial / Good	4	4										
Pool Hayes Primary School June 2016	Substantial/ Substantial	16	16										
St Annes Catholic Primary School October 2016	Substantial/ Substantial	14	6								Apr 2017		8
County Bridge Primary School July 2016	Substantial/ Substantial	14	8						2		Sep 2016	Dec 2016	4
St Joseph's Catholic Primary School September 2016	Substantial/ Substantial	4	3								Oct 2016		1
Whitehall Nursery & Infant School	Substantial/	15	13								Dec 2016		2

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				
August 2016	Substantial												
St Peter's Catholic Primary School November 2016	Substantial/ Substantial	11	8								Dec 2016		3
		89	64						2				23

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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