

Audit Committee – 18 June 2018

Internal Audit Progress Report 2018/19

Summary of the Report

The purpose of this report is to update the Audit Committee on Internal Audit's progress on the 2018/19 audit plan (attached), including an update on Risk Management.

Background Papers

Internal Audit reports/monitoring information.

Recommendations

Audit Committee are recommended to note the contents of this report.

Resource and Legal Considerations

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.

Governance Issues

The Audit Committee's activities include ensuring that an effective internal control environment is maintained and regular and ongoing scrutiny of internal audit work undertaken. The report supports the Audit Committee in exercising that role.

Citizen Impact

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 council's operations.

Performance and Risk Management Issues

Part of Internal Audit's role is to provide assurance in 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.

Regular updates will be provided to Audit Committee on progress against the approved Internal Audit Plan for 2018/19.

Equality Implications

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

Consultation

The annual work plan 2018/19 was consulted upon before its final endorsement by executive directors, senior managers, the Chief Finance Officer and Audit Committee.



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WALSALL COUNCIL

INTERNAL AUDIT PROGRESS REPORT

Audit Committee – 18th June 2018

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.

Appendix 1 outlines progress to date against the 2018/19 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

Progress against the 2018/19 Internal Audit Plan is shown in Appendix 1.

We have issued the following 2017/18 Draft reports since the last meeting of the Audit Committee:

- Adult Safeguarding including Deprivation of Liberty Safeguards
- Forest Arts Centre
- Controlling Migration Fund
- Streamlining Services
- Procurement
- Individual Performance Management and Development
- Delays in Transfer of Care

We have issued the following 2017/18 Final reports since the last meeting of the Audit Committee:

- Regulation of Investigatory Powers Act 2000 (RIPA) (Evaluation assurance: **Substantial**. Testing assurance: **Substantial**)
- Schools Admissions Planning Process (Evaluation assurance: **Substantial**. Testing assurance: **Substantial**)
- Adult Social Care Market Management (Evaluation assurance: **Limited**. Testing assurance: **Substantial**)
- Main Accounting (Evaluation assurance: **Substantial**. Testing assurance: **Good**)
- Treasury Management (Evaluation assurance: **Good**. Testing assurance: **Good**)
- Budgetary Control (Evaluation assurance: **Good**. Testing assurance: **Good**)
- Domiciliary Care (Evaluation assurance: **Limited**. Testing assurance: **Limited**)

Progress to Date Follow-up of Recommendations

2015/16, 2016/17 and 2017/18

The table below highlights the number of recommendations raised in the final audit reports for 2015/16, 2016/17 and 2017/18. It should be noted that progress in implementing recommendations raised is due for follow up as part of the 2018/19 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	452	447	99%	451	99%
2016/17	417	362	87%	388	93%
2017/18	317	260	82%	263	83%

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





Year	Partly Implemented	Not Implemented	Not Yet Due
2015/16	1	1	-
2016/17	1	-	-
2017/18	-	-	1

Appendix 4 provides details of outstanding high priority actions and a summary of the status of all 2015/16, 2016/17 & 2017/18 recommendations where the proposed implementation date was at or before 30th April 2018.

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

We have raised two Priority 1 recommendations in the final reports issued since the last Audit Committee meeting. Please see the Draft Internal Audit Annual Report elsewhere on the agenda for further details.

Appendix 1 – Status of Audit Work 2018/19

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Core Financial Systems	Main Accounting	Covering continuous auditing of the adequacy and effectiveness of controls including access control, journals, virements, etc. CRSA to be applied.	13		Q1-Q4							
	Treasury Management, Cash & Bank	Covering of the adequacy and effectiveness of controls over investments, loans, management information, etc. CRSA to be applied.	10		Q4							
	Accounts Receivable	Covering continuous auditing of the adequacy and effectiveness of controls over the Accounts Receivable system. CRSA to be applied.	13		Q1-Q4							
	Accounts Payable	Covering continuous auditing of the adequacy and effectiveness of controls over the payment of creditor invoices. CRSA to be applied.	13		Q1-Q4							
	Budgetary Control	To cover of the strategic approach to co-ordinating budgetary control, monitoring and reporting, and also testing a sample of departments.	10		Q4							
	Council Tax / NNDR	Covering of the adequacy and effectiveness of controls including liabilities, billing, cash collection, recovery and accounting. CRSA to be applied.	18		Q4							

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
	Housing Benefit & Local Council Tax Support	Covering of the adequacy and effectiveness of controls including new claims, size criteria, benefit caps, amendments, backdated benefits, payments and reconciliations. CRSA to be applied.	13		Q4							
	Payroll and Pensions Administration	Covering of the adequacy and effectiveness of controls over starters, leavers, amendments, etc.	10		Q4							
Core Financial Systems Total			100									
Operational Risks	Resources and Transformation											
	Workforce Planning	To cover controls over the revised Corporate Workforce Strategy, including the succession planning, recruitment and retention and links to the Transformation programme.	13		Q3							
	IR35	To cover the controls over the Council's compliance with 'Off-payroll working through an intermediary (IR35)' regulations, including Declarations of Interests and impact on rates.	7	0.5	Q1	ToR Issued						
	Money, Home, Job Emergency Payments	Covering controls in respect to expenditure and use of crisis funds.	7	0.5	Q1	ToR Issued						
	Catering Contracts	To provide assurance and oversight of the new catering contracts and charging arrangements.	5	0.5	Q1	ToR Issued						
	CRC Energy Efficiency Scheme	Annual audit and sign off	10		Q2							

Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion	Recommendations	Comments
Economy & Environment								
Lichfield Street Hub Project	To provide assurance regarding the effectiveness of project management governance and controls.	10		Q4				
Sadler's Centre Management	Covering adequacy and effectiveness of the centre, including management and oversight, roles & responsibilities and centre operations.	10		Q3				
Planning	Covering adequacy and effectiveness of controls in place over planning applications, in light of the 20% national fees uplift.	9	0.5	Q1	ToR Issued			
Licencing	Covering the controls in place to ensure compliance with the new licencing regulations and the adequacy and effectiveness of licencing applications.	8		Q2				
Children's Services								
Troubled Families	Covering adequacy and effectiveness of controls in place over eligibility, payments and achievement of progress measures.	10		Q2 & Q4				
LAC – Home to School Transport	Covering adequacy and effectiveness of controls in place over the new provider framework.	10		Q2				

Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
Schools Capital Programme	Covering adequacy and effectiveness of controls in place over the schools capital programme, including roles & responsibilities and joint working.	14		Q3							
Transition to Education Health and Care Plans	To cover controls in place over the transition to education health & care plans, including Walsall's transition plan, EHC needs assessments, decision making and care plans.	10		Q2							
Commissioning of Placements	Covering adequacy and effectiveness of controls in place over the commissioning of looked after children placements and SEND placements.	13		Q3							
Schools Governance	Providing assurance over the controls in place to ensure sufficient governance and control arrangements in schools.	8	0.5	Q1	ToR Issued						
Adult Social Care											
Integrated Health & Social Care	To cover controls in place over the compliance with the policy framework for 2018/19 Better Care Fund, including future proofing of service provision and arrangements, governance, leadership and risk. Areas to be covered will be agreed with senior management.	15		Q3							
Residential and Nursing Care	To cover controls in place over expenditure and income received, and to ensure legal requirements are met.	15		Q2							
Transformation Programme	Covering adequacy and effectiveness of controls in place over ASC transformation projects, including Channel Shift and demand management.	17		Q3							

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
Operational Risks Total			191	2.5								
Strategic Risks	Communications and Staff Engagement	Covering adequacy and effectiveness of controls in place in relation to staff communication and engagement.	10		Q3							
	Corporate Review of Agency Staff	Review the use of agency staff, processes for approval and needs analysis.	12		Q2							
	GDPR	To review the current controls and arrangements in place for ensuring compliance with the General Data Protection Regulations.	10		Q4							
	Partnerships – Localities Delivery Model	To cover the adequacy and effectiveness of controls in place in relation to the new localities delivery model.	10		Q3							
	Follow up of Information Commissioners Office Recommendations relating to Subject Access Requests	To provide assurance that recommendations made following the ICO inspection have been addressed.	5		Q2							
	Programme/Project Management	Programme/Project management assurance in respect of Transformation. A sample of projects in the programme will be selected.	20		Q2							
	Procurement	Covering adequacy and effectiveness of the Council's corporate approach to procurement.	13		Q4							

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
	Performance Framework	To provide assurance that the performance measures set out in the Corporate Plan are being reported in a timely manner	15		Q4							
Strategic Risks Total			95									
	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		Q1-Q4							National Fraud Initiative data matching exercise. Attendance at the Midland Fraud Group.
	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.	30		Q1-Q4							
	Benefit/Savings Realisation	To provide assurance that processes are in place to measure such initiatives, including LED street lighting	15		Q1-Q4							
Governance, Fraud & other Assurance Methods			75									
	The specific audits and scopes will be agreed with management. Suggested audits include, Mosaic financials, Capita, Leisure centre CRM, Integrated HR/Finance System and Money, Home Job cloud based system.		40		Q1-Q4							
ICT total			40									
Other	Follow-up of Recommendations	Follow-up of all priority 1 and 2 recommendations made in final reports issued.	30		Q1-Q4							
	Management and Planning	Including attendance at Audit Committee	75	1	Q1-Q4							
Schools total			105	1								

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
Schools	To provide the Chief Finance Officer with adequate assurance over standards of financial management and the regularity and probity of spend		120	9	Q1-Q3							
Schools Total			120	9								
Plan Total			726	12.5								
Ad Hoc/Contingency		Contingency allocation to be utilised upon agreement of the Chief Finance Officer.	70									
TOTAL			796	12.5								

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Schools	Alumwell Junior		5		Q1	ToR Issued						
	Bentley Federation		10		Q2	ToR Issued						
	Blackwood Primary		5		Q1	ToR Issued						
	Busill Jones Primary		5		Q1	ToR Issued						
	Butts Primary		5		Q1	ToR Issued						
	Cooper & Jordan Primary		5		Q1	ToR Issued						
	Devles Junior		5		Q1	ToR Issued						
	Greenfield Primary		5		Q2	ToR Issued						
	Lower Farm Primary		5		Q1	ToR Issued						
	Millfield Primary		5		Q2	ToR Issued						
	Palfrey Infants		5		Q2	ToR Issued						

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
	Palfrey Junior		5		Q2	ToR Issued						
	Pelsall Village Primary		5		Q2	ToR Issued						
	Pheasey Park Farm Primary		5		Q2							
	Rushall Primary		5	4	Q2	Draft Report Issued						
	St Johns Primary		5		Q3	ToR Issued						
	Watling Street Primary		5		Q3	ToR Issued						
	Castle School		5	4	Q3	Draft Report Issued						
	New Leaf Pupil Referral Unit		5		Q3							
	Shepwell Pupil Referral Unit		5		Q3	ToR Issued						
	Admin Time inc SFVS		15	1								
Schools total			120	9								

Appendix 2 – Summary of Final Reports

Audit	Opinion		Main Findings
	Evaluation	Testing	
Regulation of Investigatory Powers Act 2000 (RIPA)	Substantial	Substantial	<ul style="list-style-type: none"> The Corporate RIPA Policy requires updating to include key legislative and procedural information. RIPA training is not corporately available and as a result, Adult Social Care and Children's Services have no RIPA trained managers or staff. An up to date copy of the Corporate RIPA Policy is not held on the intranet and corporate information guidance to raise awareness of RIPA have not been communicated. CCTV is in use throughout the Council, but there is little evidence to show that the use of footage for surveillance purposes is lawful and in accordance with RIPA legislation and Human Rights.
Schools Admission Planning Process	Substantial	Substantial	<ul style="list-style-type: none"> Recording of appeals information is not always consistent, complete or evidences compliance with legislation. Information contained on the schools admissions council webpage requires updating to ensure up to date information is provided. Supporting evidence to quantify and confirm information and data contained within reports to Cabinet should be retained in accordance with the Council's document retention guidelines.
Adult Social Care Market Management	Limited	Substantial	<ul style="list-style-type: none"> There is not a detailed action plan in the Adult Social Care Directorate Plan & Commissioning Intentions 2017/18. There is no contract monitoring of domiciliary care providers. Quarterly contract monitoring e-forms completed by non-residential care providers do not require any details regarding staff employed. Validation visits had not been undertaken for all residential care homes in quarter 2. There is no robust monitoring of care providers' sustainability.
Main Accounting	Substantial	Good	<ul style="list-style-type: none"> Reconciliations of the bank account to the general ledger have not been undertaken since September 2017 as, following a change in responsibility for this area, it was identified that a review of the bank reconciliation process was necessary to ensure that a number of irreconcilable differences were resolved. From examination of the December 2017, January 2018, and February 2018 creditor control account reconciliations, it was found that the incorrect month's screen print of the opening balance had been attached to the January 2018 reconciliation.
Treasury Management	Good	Good	<ul style="list-style-type: none"> System guidance notes have not been developed for the cash flow management system, PSLive.
Budgetary Control	Good	Good	No recommendations raised
Domiciliary Care	Limited	Limited	<ul style="list-style-type: none"> The guarantee for care providers detailed within the contract for domiciliary care has not yet been agreed.

Audit	Opinion		Main Findings
	Evaluation	Testing	
			<ul style="list-style-type: none"> • There are still a number of transitional contracts with care providers. • There are a number of service users that are recorded as not having transferred to a CBS provider. • CM2000 monthly performance reports have highlighted a number of issues with the recording of visits which are currently being monitored. • From examination of a sample of 18 visits on CM2000 it was found that service users do not receive the full amount of planned care time. • Not all domiciliary care providers on the CBS Framework use CM2000. • It was identified that an overpayment of £1,986 had been made to a care provider. • There is currently a back log of cases where a service user financial assessments have not been completed due to the service user not submitting a data capture form. The service user will have not been invoiced for their client contribution.

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 2015/16, 2016/17 and 2017/18

Follow-up audits have been undertaken in accordance with the 2017/18 audit plan. The objective was to confirm the extent to which the recommendations made in 2015/16, 2016/17 and 2017/18 internal audit final reports have been implemented.

Outstanding and Partly Implemented High Priority Recommendations from 2015/16, 2016/17 and 2017/18

Audit/Report Date	Assurance	Recommendations	Management Response	Responsibility and Due Date	Update Position
Residential Charging May 2016	Limited	Procurement	It should be ensured that the issue of having to manually calculate budget monitoring reports is addressed as part of the implementation of Mosaic Financials.	Mosaic Implementation Team 30 th Sept 2016 Revised November 2017 Rerevised September 2018	Not implemented This requirement will be implemented as part of Phase 3 Finance implementation. Once all the services have been migrated from current source systems into Mosaic and the system is live budget monitoring will become an automated process and relevant reports will be developed to support the department. Implementation of Mosaic Financials to be completed by June 2018. Revised June 2018
			Contracts will be awarded following cabinet approval regarding fee rates.	Lead Commissioning Officer 1 st July 2016 Revised 31/10/16 Rerevised June 2018	Partially implemented Advised that transitional contracts in place, but not yet gone out to tender as waiting from advice from procurement. Revised deadline June 2018

Audit/Report Date	Assurance	Recommendations	Management Response	Responsibility and Due Date	Update Position
Community Alarms & Telecare Services June 2017	No / Limited	Provisions for providing a 24-hour call out service require review to ensure that sufficiently trained staff are available to deal with emergency/urgent reports to ensure service users are not left at risk.	<p>The CAS call operator and Response officers are available 24/7; to date the fitting service has never had the resource or budget to support 24/7 fitting and maintenance.</p> <p>To date there has never been sufficient evidence to suggest a dedicated out of hours maintenance team is required.</p> <p>In addition, there are councils that do not operate response services for either maintenance equipment or actual support. Benchmarking with these local authorities will be undertaken as part of the review of service delivery options.</p> <p>All equipment that “fails” can be replaced with an alternative where the kit is peripheral, (i.e. is linked to a base unit), and where Response Officers are suitably trained. They are able to fit out of hours on an emergency basis only however, their priority action is responsive care provision.</p> <p>Action: An additional temporary installation officer has been recruited which has reduced installation times down to 48 hours for urgent and 5 days for routine installations as of 19.05.2017.</p> <p>Action: The Group Manager will make initial contact with Integrated Facilities Management to undertake the scoping of a fitting and maintenance programme, based on an affordable, internal facilities management model or by an alternative delivery model.</p>	<p>Team Manager – Response Service</p> <p>Temporary staff sourced by end of July 2017 to support where needed.</p> <p>Group Manager – Learning Disabilities Commissioning Manager Group Manager – Performance</p> <p>Long Term Plan for Assistive Technology to be presented to EDMT in the summer.</p> <p>Revised date December 2017</p> <p>Rerevised date September 2018</p>	<p>Partially implemented.</p> <p>Telecare is now under the line management of the Team Manager, Response Services for consistency.</p> <p>A soft market exercise has been completed along with a benchmarking exercise. Option appraisals for the delivery of community alarms and telecare has been drafted for presenting to Cabinet. This has been delayed until the Summer due to the elections in May 2018.</p> <p>The long term plan for Assistive Technology was not completed due to a baselining report being completed in consultation with the Head of Customer Service Transformation. This is likely to be completed within the next month.</p> <p>The out of hour's provision for response has not changed. This continues to be provided by support staff if any are available. Revised deadline September 2018</p>

Audit/Report Date	Assurance	Recommendations	Management Response	Responsibility and Due Date	Update Position
Market Management April 2018	Limited / Substantial	<p>It should be ensured that:</p> <ul style="list-style-type: none"> • There is quality contract monitoring of domiciliary care providers. • The quality monitoring tool used for residential care providers is utilised for other care providers. • Service reviews of non-residential care providers are undertaken on a regular basis. 	<p>There is no dedicated resource for quality monitoring within ASC and the function of our corporate team is limited to contract compliance.</p> <p>ASC has tried to address the gap for Older People Residential Care homes by incorporating the task into the Commissioning Officers role with the intention of rolling out the learning across all client groups and accommodation types. With competing priorities, this ambition has not been achieved. In recognition of the gap ASC hosted the Quality Summit bringing together key stakeholders with collective responsibility for the quality of all care provision in Walsall.</p> <p>Sub groups have been established and scoping work continues with recognition of the areas covered in this report. It is likely the Council will need to find additional investment to effectively manage providers to deliver good quality care in Walsall.</p>	<p>Head of Service – Integrated Commissioning / Lead Commissioner / Lead Commissioner</p> <p>December 2018</p>	Not yet due for implementation

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				
Residential Charging May 2016	Limited	30	21	1			1			7	July 2016	Sep 2018	
Cloud Computing June 2016	Borderline Significant	4			3					1	Jun 2017	Jun 2018	
		34	21	1	3		1			8			

* See 'Outstanding and Partly Implemented High Priority Recommendations from 2015/16, 2016/17 and 2017/18' table at the start of appendix 4 for priority 1 recommendations updated position.

The tables below provide a summary of the status of all 2016/17 recommendations where the proposed implementation date was at or before 30th April 2018 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				
Town & District Centres Markets March 2017	Limited / Limited	12	9		2					1	July 2017	Jun 2018	
Facilities Management January 2017	Limited / Limited	15	10					5			June 2017	Sep 2018	
Pheasey Park Farm Children's Centre January 2017	Substantial / Limited	15									Jun 2017	To be followed up during school audit 2018/19	15
Appointeeships & Deputyships April 2017	Limited / Limited	18	16		2						Dec 2017	Jun 2018	
Adoption & Fostering March 2017	Good / Substantial	4	3								April 2018		1
Community Alarms & telecare Services June 2017	No / Limited	20	9	2	9						Aug 2017 (temp measures)	Sep 2018	
Salisbury Primary School June 2017	n/a	20	9	2	5			1	1		Dec 2017	Sep 2018	2
Cyber Security February 2017	Limited / Limited	8	3		1						Feb 2018	Sep 2018	4

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				
Support Planning, Resource Allocation, Personal Budgets & Direct Payments September 2017	Substantial / Limited	12	9		3						Mar 2018	Dec 2018	
		124	68	4	22			6	1	1			22

* See 'Outstanding and Partly Implemented High Priority Recommendations from 2015/16, 2016/17 and 2017/18' table at the start of appendix 4 for priority 1 recommendations updated position.

The tables below provide a summary of the status of all 2017/18 recommendations where the proposed implementation date was at or before 30th April 2018 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				
Ogley Hay Nursery School September 2017	Substantial / Limited	16	14					1			Apr 2018		1
Mary Elliot School September 2017	Substantial / Substantial	10	9								May 2018		1
Local Authority Designated Officer November 2017	Good / Good	2	1								May 2018		1
CRC Energy Efficiency Scheme November 2017	Limited / Substantial	8	5		1						Jun 2018		2
Housing Benefit & Council Tax Reduction December 2017	Substantial / Substantial	7	6								Jun 2018		1
St James Primary School January 2018	n/a	31	10								Sep 2018		21
Accounts Receivable February 2018	Substantial / Substantial	2									May 2018		2
Accounts Payable February 2018	Substantial / Substantial	3	2					1			Feb 2018	Apr 2018	
Payroll & Pensions Administration	Substantial / Substantial	6	4		2						Feb 2018	May 2018	

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 2018													
Council Tax & NNDR	Substantial / Substantial	4	2								Sep 2018		2
February 2018													
Troubled Families Grant	Substantial / Substantial	1									May 2018		1
February 2018													
Performance Management	Substantial / Limited	7	3								Jul 2018		4
March 2018													
Early Years	Substantial / Substantial	4	2								Aug 2018		2
March 2018													
RIPA	Substantial / Substantial	10	3								Sep 2018		7
April 2018													
Adult Social Care Market Management	Limited / Substantial	7	1								Dec 2018		6
April 2018													
Main Accounting	Significant / Good	2	1								Jul 2018		1
May 2018													
		120	63		3			2					52

* See 'Outstanding and Partly Implemented High Priority Recommendations from 2015/16, 2016/17 and 2017/18' table at the start of appendix 4 for priority 1 recommendations updated position.

Fully implemented 2017/18 audit reports

Title	Assurance Level	Raised	Implemented	No Longer Relevant
Beacon Primary School	Substantial / Substantial	8	8	
Oakwood School	Substantial / Substantial	6	6	
Sandbank Nursery School	Substantial / Substantial	11	11	
Chuckery Primary School	Substantial / Substantial	7	7	
Old Church Primary School	Substantial / Substantial	8	8	
Troubled Families Grant	Substantial / Good	3	3	
Declarations of Interest	Substantial / Substantial	10	10	
New Invention Junior School	Substantial / Substantial	6	6	
Hillary Primary School	Substantial / Substantial	8	8	
Valley Nursery School	Substantial / Limited	15	15	
Alumwell Nursery School	Substantial / Substantial	6	6	
Leighswood Primary School	Substantial / Substantial	8	8	
Brownhills School	Substantial / Good	5	5	
St Michael's Primary School	Substantial / Limited	18	18	
Lindens Primary School	Substantial / Substantial	9	9	
Business Continuity	Substantial / Substantial	12	12	
Millfields Nursery	Substantial / Limited	14	14	
Fullbrook Nursery	Substantial / Good	6	6	
Pinfold Primary School	Substantial / Good	9	9	
St Thomas More Catholic School	Substantial / Good	6	6	
Old Hall School	Substantial / Substantial	14	14	
School Admissions Planning	Substantial / Substantial	7	7	
Treasury Management	Good / Good	1	1	
		197	197	

Appendix 5 – Risk Management Update

Ref	Implementation Action Plan	Estimated Timing by
1	Facilitated CMT session to inform a refresh of the Strategic Risk Register. <i>Confirm principles of new approach.</i> <i>Timed to feed into the 2018/19 audit plan.</i>	22 nd February 2018 Completed
2	Sessions with DMTs / Project Teams to cascade the top down Strategic Risks for consideration at the Operational/Project level as well as Operational level 'bottom up' risks facing services to be captured and considered. <i>Communicate the principles of the new approach.</i>	April 2018 Adults Social Care – 25 th April Childrens' Services – 26 th April Economy and Environment – 21 st May Resources and Transformation - 14 th May Completed
3	Presentation of refreshed Strategic Risk Register to Audit Committee. Audit Committee Member briefing/training session.	July 2018
4	Review of Risk Management for the Head of Internal Audit Opinion. <i>Any recommendations from the review to be included in future steps of action plan.</i>	April/May 2018 Completed
5	Complete sessions with service teams to roll out new strategy and support them to embed. Undertake a skills gap analysis and provide training to address. Consideration of training and induction provided to officers and members to ensure no future gaps in skills appear.	June 2018
6	Review the Strategy and Procedural Documentation to ensure they fully reflect developed practices including the refreshed Corporate Plan and Change Programme. <i>Also consideration of how some other processes will affected by the changes in the risk management framework or how changes in how risk is managed or appetite and tolerance might impact on other business process.</i>	September 2018
7	Updated Strategy is approved at Committee <i>Timing and style of future reporting on risk to Committee to be formally agreed.</i>	December 2018

Appendix 6 – 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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