Audit Committee – 20 November 2017

Internal Audit Progress Report 2017/18

Summary of the Report

The purpose of this report is to update the Audit Committee on Internal Audit's progress for 2017/18 (attached) and performance for quarter two.

Background Papers

Internal Audit reports/monitoring information.

Recommendations

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

James T. Walsh – Chief Finance Officer

7 November 2017

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 are provided to Audit Committee on audits progress against the approved Internal Audit Plan for 2017/18.

The attached report highlights progress against the audit plan as at 31 October 2017. Audit coverage is in line with the plan.

The Internal Audit contract is subject to key performance indicators (KPI's) including achievement of the audit plan and formal quarterly meetings are held between the Chief Finance Officer and senior representatives at Mazars to monitor performance of the contract. KPI performance as at 30 September (quarter 2) is below.

Standard	Target	Actual at 30th September
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.	N/A Year-end procedure
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.	N/A Year-end procedure
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.	N/A Year-end procedure
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.	N/A Year-end procedure
Effective completion of audit work.	100% draft reports, which include relevant recommendations, are issued within 6 weeks of the commencement of work.	17/20 85% **Exceptions:** Business Continuity, Declarations of Interest and CRC

		Average time for 20 reports is 15.6 days
Standard	**Target**	**Actual at 30th September**
Achieve performance of quarterly audit work plan	100% expected audits in the quarterly plan to be completed to draft report stage within15 working days of last day of quarter	20/23 87% **Exceptions:** LADO, RIPA and Schools Admissions Planning
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.	Completed.
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.	Meeting held and proposal for the way forward with risk management for CMT drafted.
Quarterly review of Corporate Risk Register (CRR) 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.	Completed in September for Quarter 2.

The following table sets out the Performance Standards against which the success of the Agreement will shall be measured.

Standard	**Target**	**Actual at 30th September**
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.	35/35 100%
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	33/33 100% Audit brief not required for **Growth Fund** or **Troubled Families**

	date of each audit.	(Grant sign off work)

Standard	Target	Actual at 30th September
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.	21/21 100%
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.	20/20 100% Average time to issue for 20 reports is 8.7 days
Produce final report.	100% to be produced and issued with 5 working days of receipt of management response to draft report.	15/16 94% **Exceptions:** Business Continuity Planning. Average time to issue for 16 reports is 2.8 days
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.	2017/18 updates in progress
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.	Policy and associated documents updated and published.
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	Completed as part of monitoring information.

Standard	Target	Actual at 30th September
	quarter.	
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.
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 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	Directorate workshops planned.
Audit and Risk Training Programme	To provide a copy to the Chief Finance Officer on an annual basis	Year-end procedure

In relation to fraud and risk, further work is planned to be completed by the end of quarter three as follows, as previously reported:

- Review and update of corporate risk management strategy, which will then be communicated to all directorates.
- Directorate workshop for change and governance completion of risk review.
- Review of fraud register and incorporation of fraud risks into directorate risk registers.
- Corporate risk register quarterly review.
- Consultation input into a revised Whistleblowing Policy.
- Fraud awareness raising programme.

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 2017/18 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 – 20th November 2017

CONTENTS

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 2017/18 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 2017/18 Internal Audit Plan is shown in Appendix 1.

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

- Declarations of Interest (Evaluation assurance: **Substantial**. Testing assurance: **Substantial**)
- Ogley Hay Nursery School (Evaluation assurance: **Substantial**. Testing assurance: **Limited**)
- Valley Nursery School (Evaluation assurance: **Substantial**. Testing assurance: **Limited**)
- Mary Elliot School (Evaluation assurance: **Substantial**. Testing assurance: **Substantial**)
- Chuckery Primary School (Evaluation assurance: **Substantial**. Testing assurance: **Substantial**)
- Leighswood Primary School (Evaluation assurance: **Substantial**. Testing assurance: **Substantial**)
- Fullbrook Nursery School (Evaluation assurance: **Substantial**. Testing assurance: **Good**)
- Old Church Primary School (Evaluation assurance: **Substantial**. Testing assurance: **Good**)

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

- Alumwell Nursery School (Evaluation assurance: **Substantial**. Testing assurance: **Substantial**)
- Old Hall School (Evaluation assurance: **Substantial**. Testing assurance: **Limited**)
- Payroll Application (Evaluation assurance: **Good**. Testing assurance: **Substantial**)
- Troubled Families Grant (Evaluation assurance: **Substantial**. Testing assurance: **Good**)
- Pinfold Street Primary School (Evaluation assurance: **Substantial**. Testing assurance: **Good**)

Progress to Date
Follow-up of Recommendations

2015/16, 2016/17 & 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 2017/18 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	436	97%	446	99%
2016/17	406	329	81%	348	86%
2017/18	151	116	77%	117	78%

Appendix 4 provides a summary of the status of all 2015/16, 2016/17 and 2017/18 recommendations where the proposed implementation date was at or before 30th September 2017.

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	G	There is a sound system of internal control designed to achieve the system objectives.	The controls are being consistently applied.
Substantial	S	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	L	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	N	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

One Priority 1 recommendation has been raised in the final reports issued since the last Audit Committee meeting.

This Priority 1 recommendation was raised in the Valley Nursery School report, and was as follows:

Recommendation: It should be ensured that the registration with the Information Commissioner's Office is renewed annually.

Management Response: The school registered with the Information Commissioner's Office as soon as they were notified by the auditor.

Appendix 1 – Status of Audit Work 2017/18

	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	0.5	Q3	ToR Issued						
	Accounts Payable	Covering adequacy and effectiveness of controls over the payment of creditor invoices. CRSA to be applied.	10	0.5	Q3	ToR Issued						
	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.	10		Q4							

Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
NNDR	Covering adequacy and effectiveness of controls including Business Rate Retention Scheme, liabilities, billing, cash collection, recovery and accounting. CRSA to be applied.	10		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.	15	3	Q3	Work in Progress						
Payroll and Pensions Administration	Covering adequacy and effectiveness of controls over starters, leavers, amendments, etc.	10	2	Q3	Work in Progress						
Asset Management	Assurance over the design and application of controls relating to areas such as asset management strategy, capital accounting.	10		Q3							

| Core Financial Systems Total | | 105 | 6 | | | | | | | | |

Change and Governance

| Operational Risks | Declarations of Interest | Covering adequacy and effectiveness of controls over identifying, reporting and updating declarations of interest in accordance with the Council's Code of Conduct. | 15 | 15 | Q2 | Final Report Issued | **Substantial** | **Substantial** | - | 4 | 2 | |
| | Individual Performance Management and Development | Covering adequacy and effectiveness of key controls over professional training and development, including links from the Employee Performance Review and monitoring of outcomes. To include advice regarding the | 15 | | Q3 | | | | | | | |

Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
	changes to the existing procedures.										
CRC Energy Efficiency Scheme	Annual audit and sign off	15	14	Q2	Draft Report Issued						Certification work and report
Economy & Environment											
Streamlining Services	To cover controls over delivering the proposals for the long term future of libraries	15		Q4							
Regulation of Investigatory Powers Act 2000 (RIPA)	Covering adequacy and effectiveness of key controls over the use of RIPA.	5	4.5	Q2	Work in Progress						
Local Growth Fund	Annual audit and sign off	5	5	Q2	Sign off work completed	N/A					
Children's Services											
Troubled Families	Covering adequacy and effectiveness of controls in place over eligibility, payments and achievement of progress measures.	15	7	Q2 & Q4	Final Report Issued (Q2)	Substantial	Good	-	-	3	
Early Years	Covering controls to ensure arrangements are in place for the increase in 3-4 year old funding from September 2017.	15	0.5	Q3	ToR Issued						
Local Authority Designated Officer (LADO)	Covering controls to ensure allegations are investigated promptly and fairly, decision making is clearly recorded and comprehensive training is	5	4	Q1	Work in Progress						Audit commenced and stopped due to Ofsted inspection. Restarted on

Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations		Comments
	available to staff and partners regarding the role.									28th September
School Admissions Planning	Covering controls to ensure sufficient school places are available to meet the Borough's needs	16	14	Q2	Work in Progress					
Adult Social Care										
Domiciliary Care	To cover controls in place over expenditure and income received, and to ensure legal requirements are met and assets are safeguarded.	15	0.5	Q4	ToR issued					Audit postponed to Q4 at the request of the Head of Integrated Commissioning and agreed with S151 Officer
Market Management	Review of controls in place over contract management across the directorate, and measures adopted to monitor potential provider failure.	15	2	Q2	Work in Progress					
Safeguarding	A review of the new safeguarding procedures following decentralisation to localities.	15		Q4						To include a sample of DoLs within testing
Community Based Charging	A review of the revised Community Based Charging policy.	5		Q4						
Operational Risks Total		**171**	**66.5**							
Combined Authority	The specific audit and scope will be agreed with management	15		Q4						
Strategic Risks — Programme/Project Management	Programme/Project management assurance in respect of Transformation. A sample of projects in the programme will be selected.	20		Q4						

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
	Procurement	Covering adequacy and effectiveness of the Council's corporate approach to procurement.	20		Q3							
	Partnership Arrangements	Review the arrangements in place for the governance, monitoring and reporting of Partnerships activities. A sample of Partnership arrangements will be selected	20		Q3							
	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	0.5	Q3	ToR Issued						
	Business Continuity & Emergency Planning	Covering adequacy and effectiveness of the Council's arrangements for Business Continuity	15	15	Q1	Final Report Issued	Substantial	Substantial	-	8	4	
	General Data Protection Regulation	Covering controls over the preparations for the adoption of GDPR, including the 12 steps to take now guidance from the ICO	16		Q3							
Strategic Risks Total			**121**	**15.5**								
	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							

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion			Recommendations			Comments
	Risk Management	CRR/Assurance Framework updates to CMT and AC, Risk Management Workshops for staff and Members.	30	7	Q4								
	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 General Ledger.	20		Q3-Q4								
	Benefit/Savings Realisation	To provide assurance that processes are in place to measure such initiatives.	20		Q3								
	Governance	The use of CRSA to provide assurance that managers understand their requirements and take ownership of their responsibilities. To be used to update the key questions document in preparation for the Annual Governance testing.	10		Q3-Q4								
Governance, Fraud & other Assurance Methods			**110**	**15**									
ICT	IT Monitoring and Management Information	A review of monitoring solutions in place for key systems and infrastructure, capability for reporting key IT management information, and management oversight of antivirus tools	10	0.5	Q3	ToR issued							
	Social Medial Policies and Procedures	A review of the adequacy and effectiveness of the controls in place over the use of Social Media	5	0.5	Q3	ToR issued							

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
	IT Strategy	A review of IT Strategy development and management	5	2	Q2	Work in Progress						
	iTrent Payroll Application	A review of the adequacy and effectiveness of controls in place over the Payroll application, including system access, transaction controls, updates and back-up routines.	6	5	Q2	Draft Report Issued						
	Mosaic Application	A review of the adequacy and effectiveness of controls in place over the Adults and Children's case management system, including system access, transaction controls, updates and back-up routines.	6	0.5	Q4	ToR Issued						
	Website Security	A review of key security controls operating over the Council's website	6	0.5	Q4	ToR Issued						
	Management Advice		2									
ICT total			**40**	**9**								
Other	Follow-up of Recommendations	Follow-up of all priority 1 and 2 recommendations made in final reports issued.	30	15	Q1-Q4							
	Management and Planning	Including attendance at Audit Committee	80	35	Q1-Q4							
	Advisory	Resources used for advice such as project boards	20		Q1-Q4							
Other total			**130**	**50**								
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	85.5	Q1-Q3							
Schools Total			**120**	**85.5**								

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion	Recommendations	Comments
Days previously used for CRSA			**10**						
Plan Total			**807**	**247.5**					
Ad Hoc/Contingency		Contingency allocation to be utilised upon agreement of the Chief Finance Officer.	70						
TOTAL			**877**	**247.5**					

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	**1**	**2**	**3**	
Schools	Beacon Primary School		5	5	Q1	Final report issued	Substantial	Substantial	-	2	6	
	Leighswood Primary School		5	5	Q2	Final Report Issued	Substantial	Substantial	-	4	4	
	New Invention Junior School		5	5	Q1	Final Report Issued	Substantial	Substantial	-	3	3	
	St Michaels Primart School		5	5	Q1	Final Report Issued	Substantial	Limited	-	10	8	
	Millfields Nursery School		5	5	Q1	Final report issued	Substantial	Limited	-	7	7	
	Ogley Hay Nursery School		5	5	Q1	Final Report Issued	Substantial	Limited	-	7	9	
	Sandbank Nursery School		5	5	Q1	Final report issued	Substantial	Substantial	-	6	5	
	Valley Nursery School		5	5	Q2	Final Report Issued	Substantial	Limited	1	6	8	
	Oakwood School		5	5	Q1	Final Report Issued	Substantial	Substantial	-	2	4	
	Chuckery Primary		5	5	Q2	Final Report Issued	Substantial	Substantial	-	4	3	
	Old Church Primary School		5	5	Q2	Final Report Issued	**Substantial**	**Good**	-	2	6	
	Alumwell Nursery School		5	4	Q2	Draft Report Issued						
	Fullbrook NurserySchool		5	5	Q2	Final Report Issued	**Substantial**	**Good**	-	2	4	
	Mary Elliot School		5	5	Q2	Final Report Issued	Substantial	Substantial	-	3	7	
	Old Hall School		5	4	Q2	Draft Report Issued						
	Hilary Primary School		5	3	Q3	Fieldwork Complete						
	Lindens Primary School		5	3	Q3	Fieldwork Complete						

Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
						Evaluation	Testing	1	2	3	
Pheasey Park Farm Primary School		5	0	Q4							
Pinfold Street Primary School		5	4	Q3	Draft Report Issued						
Brownhills Community Technology College		5	0.25	Q3	ToR Issued						
St Thomas More Business & Enterprise College		5	0.25	Q3	ToR Issued						
Admin Time inc SFVS		15	2								
Schools total		**120**	**85.5**								

Appendix 2 – Summary of Final Reports

Brief outlines of the work carried out, a summary of our key findings raised and the assurance opinions given in respect of the final reports issued since the last meeting of the Audit Committee are provided in this section.

Declarations of Interest

Our audit considered the following areas of activity:

- Policies, Procedures and Legislation
- Declarations of Interest
- Declarations of Interest Registers

Our assessment in terms of the design of, and compliance with, the system of internal control covered is set out below:

Evaluation Assessment	Testing Assessment
Substantial	Substantial

We have raised four priority 2 and two priority 3 recommendations where we believe there is scope for improvement within the control environment. Our main findings were:

- From sampled testing of Members' Declarations one instance was found where a new Member had not made their declaration within the 28 days specified under the terms of the Localism Act (2011).
- When employees declare an interest, the manner in which said interest will be managed is not recorded on the form.
- Employee Declaration of Interests forms were not always signed by all required signatories listed on the form.
- Staff informed us of managed conflicts of interest which were not recorded on the Register.

Our school audits considered the following areas of activity:

- Governance
- Financial Planning
- Budget Monitoring
- Procurement
- Financial Controls
- Income Controls
- Voluntary Funds
- Extended Activities
- Banking (including LMS Bank Account)
- Payroll
- Petty Cash
- Tax
- Assets and Security

- Insurance

- Information governance

- Arrangements are in place for the completion & submission of the SFVS self-assessment form by 31/03/18

Ogley Hay Nursery School

Our assessment in terms of the design of, and compliance with, the system of internal control covered is set out below:

Evaluation Assessment	Testing Assessment
Substantial	Limited

We have raised seven priority 2 and nine priority 3 recommendations where we believe there is scope for improvement within the control environment. Our main findings were:

- Approval is not sought from governors for service level agreements / traded services.
- From examination of 10 orders / invoices, it was found that in eight cases the order was raised after the invoice was received and in eight cases, the order had not been signed as evidence of authorisation.
- Bank reconciliations are not signed and dated by an independent officer as evidence of review.
- The School's safe is insured for up to £500.00, however at the time of the audit, there was around £1,500.00 in the safe.
- There is no data sharing agreement with the service provider that provides financial support to the School.

Valley Nursery School

Our assessment in terms of the design of, and compliance with, the system of internal control covered is set out below:

Evaluation Assessment	Testing Assessment
Substantial	Limited

We have raised one priority 1, six priority 2 and eight priority 3 recommendations where we believe there is scope for improvement within the control environment. Our main findings were:

- At the time of the audit, the school was not registered with the Information Commissioner's Office. (Priority 1)
- Financial procedures are not sufficiently detailed.
- Approval is not sought from governors for service level agreements / traded services.
- Orders and their corresponding invoices are authorised by the same member of staff.
- Cash holding procedures should be strengthened.
- There is a discrepancy of £124.48 within the LMS account.
- The school does not have a Freedom of Information Policy.

Mary Elliot School

Our assessment in terms of the design of, and compliance with, the system of internal control covered is set out below:

Evaluation Assessment	Testing Assessment
Substantial	Substantial

We have raised three priority 2 and seven priority 3 recommendations where we believe there is scope for improvement within the control environment. Our main findings were:
- Approval is not sought from governors for service level agreements / traded services.
- Orders and their corresponding invoices are being authorised by the same member of staff.
- A data sharing agreement with the provider of financial services has not been considered.

Chuckery Primary School

Our assessment in terms of the design of, and compliance with, the system of internal control covered is set out below:

Evaluation Assessment	Testing Assessment
Substantial	Substantial

We have raised four priority 2 and three priority 3 recommendations where we believe there is scope for improvement within the control environment. Our main findings were:
- From examination of ten invoices it was found that in one case an order had not been raised.
- Cash held in a drawer overnight regularly exceeds the insurance limit of £250.
- From examination of a sample of five payments from the school fund account it was found that in two cases evidence of spend was not available on file.
- Timesheets should be approved by an appropriately authorised member of staff.

Leighswood Primary School

Our assessment in terms of the design of, and compliance with, the system of internal control covered is set out below:

Evaluation Assessment	Testing Assessment
Substantial	Substantial

We have raised four priority 2 and four priority 3 recommendations where we believe there is scope for improvement within the control environment. Our main findings were:
- From a sample of 10 invoices, one had been approved by an officer not authorised to do so and in one case an order had not been raised.
- There is no second officer involved with preparing income for banking. (School Fund)
- Only one member of staff is involved in the collection and banking of school fund income.
- Monthly extended activity bank account reconciliations are not undertaken.
- Extended activity accounting records are not audited.

Fullbrook Nursery School

Our assessment in terms of the design of, and compliance with, the system of internal control covered is set out below:

Evaluation Assessment	Testing Assessment
Substantial	Good

We have raised two priority 2 and four priority 3 recommendations where we believe there is scope for improvement within the control environment. Our main findings were:
- A Governor had not provided evidence of their holding an enhanced DBS certificate.
- Order and invoices had both been signed by the Head.

Old Church Primary School

Our assessment in terms of the design of, and compliance with, the system of internal control covered is set out below:

Evaluation Assessment	Testing Assessment
Substantial	Good

We have raised two priority 2 and six priority 3 recommendations where we believe there is scope for improvement within the control environment. Our main findings were:
- From a sample of 10 paid invoices it was found that one had not been authorised for payment.
- A monthly bank reconciliation of the breakfast club account is not undertaken.

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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
Jane Lane School April 2016	Limited	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 October 2016 Re-revised October 2017	**Partially implemented** Electronic system purchased and majority of equipment entered and security marked - revised implementation date October 2017
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 30th Sept 2016 Revised November 2017	**Partially 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. Revised November 2017
			Contracts will be awarded following cabinet approval regarding fee rates.	Lead Commissioning Officer 1st July 2016 Revised 31/10/16 Rerevised April 2018	**Not implemented** Advised that transitional contracts in place, but nothing awarded as waiting on procurement and legal. Revised deadline April 2018

Audit/Report Date	Assurance	Recommendations	Management Response	Responsibility and Due Date	Update Position
Shared Lives May 2016	Borderline Significant	Payments to Carers	It will be ensured that: • Evidence that the funding has been approved is held on Mosaic. • Support plans are held on Mosaic. • 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.	Group Manager - Learning Disability Dec 2016 Revised October 2017	**Partially Implemented** Benchmarking with other schemes re payments. Advice sought from Shared Lives Plus. Walsall Council Charging policy is due to go cabinet and following this, there will be a "deep dive" by the lead intregated team commissioner. Revised deadline October 2017
Solihull Framework June 2016	Limited	Independent Review of the Contract	An independent review of the contract is being undertaken, reviewing the works and actions of both the partners and Walsall Council.	Head of Facilities Management Revised date March 2018	**Work in Progress** Following a review of schemes and issues and detailed discussions with portfolio holder for Change and Governance it has been concluded that the Solihull Framework will not be extended (unless an exception circumstance were to occur) when it expires on 31 March 2018. As a result detailed work has included, but not limited to, prioritizing the identification of other procurement options to the Solihull Framework to secure better VFM for the Council both during 2017/18 and from 2018/19 onwards. Revised date March 2018

Audit/Report Date	Assurance	Recommendations	Management Response	Responsibility and Due Date	Update Position
		Performance Management	Secret customers have been used to checked the use of the scripts, this has identified some members of the helpdesk staff are not using scripts. Solihull have been informed and they are investigating and if required retraining their staff to suit the council's requirements.	Head of Facilities Management Revised date March 2018	Completed including revised scripts and priorities. A system of random and regular checking that the scripts are being used by the helpdesk staff will be undertaken to ensure all relevant information is obtained. The Manager Integrated Facilities Management is seeking assurance that this has been undertaken and that it continues throughout the course of the contract. Revised date March 2018
		Capital Programme / Maintenance Plans	Following a meeting, a new staff member from Solihull has taken ownership of the service and compliance. A new Walsall compliance officer is working with Solihull to ensure full compliance and certification for Walsall properties. Monthly meetings are taking place as of May 2016 to monitor progress.	Head of Facilities Management Revised October 2017	The Manager Integrated Facilitied Management has instructed the issuing of formal default notices against Solihull for failure to deliver in line with KPI's on a range of medium / large school capital works. Other KPIs to be reviewed in September 2017, again in priority order. Revised date October 2017

Audit/Report Date	Assurance	Recommendations	Management Response	Responsibility and Due Date	Update Position
Social Media June 2016	Limited	Policy and Standards	A Social Media Policy will be created for Walsall Council, covering all staff (including third-parties and contractors), detailing how the Council will manage a corporate presence across social media channels. Specifically, the policy will provide an appropriate level of awareness, knowledge and skill to minimise the aforementioned risks and include the following: 1. The objectives for using social media for Walsall Council purposes. 2. Potential risks and problems. 3. Management of social media channels. 4. Usage by council departments. 5. Evaluation and metrics.	Corporate Assurance Manager / Media & Comms Officer Revised September 2017	**Work in Progress** A Social Media Protocol Guidance document has been drafted and the Council's Email and Internet Usage procedure is being reviewed to include information relating to use of social media and linking to the new policy. Revised implementation date September 2017 WAITING FOR UPDATE

Audit/Report Date	Assurance	Recommendations	Management Response	Responsibility and Due Date	Update Position
Risk Management March 2016	Limited	Risks are identified within project plans for new systems and infrastructure, in change requests for existing systems and infrastructure. Anyone within ICT can submit a risk to be considered to be included in the risk register. However, at present there are no guidelines on risk identification or how a risk should be articulated. The risks that may impact ICT's ability to deliver its objectives and supporting the delivery of the Council's objectives are not at present effectively addressed. Recognised risk identification techniques, such as the use of risk workshops and risk scenarios, are not presently used. Risk aggregation is not considered i.e. if two or more identified risks should materialise together.	As well as the present tactical approach to risk identification, a strategic approach will be taken to identify all the risks that potential could impact on the ability to deliver ICT's objectives and how ICT supports the delivery of the Council's objectives is not considered. Some techniques which can be used include facilitated risk workshops and the use of risk scenarios. Furthermore, the full risk management ident process will be documented (see 3.1 above) and training provided. Once the risk identification process has been bedded-in, then the process will be further improved by considering risk aggregation. This is the process of considering the impact of two or more risks materialising together e.g. two separate risks may have been identified and both assessed as low risk, but if they should materialise at the same time, the combined risk may be assessed as medium or even high.	Carol Williams, Head of Information, Communications and Technologies Re-revised September 2017	**Partially Implemented** Further discussions have taken place on aligning ICT risk with corporate risk. Monthly risk meetings to be arranged to discuss risk separately rather than incorporate it into Management Team meetings. Documentation to be formalised (based on the corporate strategy). Corporate risk 6 has already been broken down into a number of issues which ICT are in the process of addressing; the primary one being the data centre strategy project. Revised implementation date September 2017 WAITING FOR UPDATE

Audit/Report Date	Assurance	Recommendations	Management Response	Responsibility and Due Date	Update Position
Appointeeships & Deputyships April 2017	Limited / Limited	Remedial action to address the issues identified in the 2012 appointeeship and deputyship audit report should be completed as soon as possible. The appointeeship project group should ensure that all relevant work is completed and regular progress feedback is provided to Adult Social Care executive management and Legal Services. All applications for deputyships should be processed promptly to ensure the ongoing safeguarding of these vulnerable service users.	In order for the decision making process for clients to request their appointeeship to be transferred back to Walsall to be reviewed by the DWP a sample of 4 cases was issued to them on 31 March 2017 in order to provide assurance that due process has been followed by the council. An update regarding this will be provided to Internal Audit. Financial Admin will ensure that Deputyship will be considered as an alternative to appointeeship in relevant cases.	Strategic Lead Officer – Project Officer Executive Director – Adult Social Care Head of Community Care September 2017 Financial Admin Officer	**Not yet due for implementation.**

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.	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. To date there has never been sufficient evidence to suggest a dedicated out of hours maintenance team is required. 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. 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. 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. 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.	Team Manager – Response Service Temporary staff sourced by end of July 2017 to support where needed. Group Manager – Learning Disabilities Commissioning Manager Group Manager – Performance Long Term Plan for Assistive Technology to be presented to EDMT in the summer.	**Not yet due for implementation.**

Audit/Report Date	Assurance	Recommendations	Management Response	Responsibility and Due Date	Update Position
	[red]	Capacity and contingency arrangements for installations require review to ensure that, in the event of urgent referrals for telecare, there is sufficiently experienced staff resources available to meet the needs of the 24-hour service provision.	Current fitting time is now within the 2-day period for emergencies (as of 19.05.2017). With reference to the cases cited opposite: they fall within the "Winter Pressures" period where demand for fitting doubles due to the need to exacerbate discharges. All staffing capacity goes out to fit if necessary: including senior staff. The service will only know at the point of discharge once they have the referral from the referring practitioner, not before. If the referral is completed at the point the section 2 notice is issued from the hospital, then time frames will be met. If the referral is not done until the section 5 notice then response will be slower. It is important to add that pendants do not prevent falls. Falls prevention is based on exercise and rehabilitation programmes, which are not delivered by this service. Action: A set of 10 KPIs will be introduced to cover off and monitor timescales similar to those outlined in the TSA accreditation offer.	Team Manager – Response Service Immediate resources have gone in. Group Manager – Learning Disabilities Commissioning Manager Group Manager – Performance Long Term Plan for Assistive Technology to be presented to EDMT in the summer.	**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 1	Partly Implemented 2	Partly Implemented 3	Outstanding 1	Outstanding 2	Outstanding 3	No longer relevant	Original Due Date	Revised Due Date	Not yet due
Solihull Framework June 2016	Limited	11	8				3				Oct 2016	Mar 2018	
Jane Lane School April 2016	Limited	31	29	1						1	Oct 2016	Oct 2017	
ICT Risk Management June 2016	Limited	6	4				1	1			Dec 2016	Sep 2017	
Residential Charging May 2016	Limited	30	21	1			1			7	July 2016	Apr 2018	
Social Media June 2016	Limited	11	9	1	1						Mar 2017	Sep 2017	
Shared Lives May 2016	Borderline Signifcant	10	8	1	1						Jun 2016	Nov 2017	
Cloud Computing June 2016	Borderline Significant	4			3					1	Jun 2017	Oct 2017	
Bank Account Reconciliations November 2015	Significant	11	10		1						Jan 2016	Oct 2017	
		114	89	4	6		5	1		9			

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	
Phoenix School	Significant	19	19	

Title	Assurance Level	Raised	Implemented	No Longer Relevant
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
St Thomas of Canterbury Catholic Primary School	Borderline Significant	22	21	1
Software Licensing	Significant	7	7	
Council Tax / NNDR Follow Up	Significant	10	10	
Housing Benefit & Council Tax Reduction Follow Up	Significant	6	6	
Accommodation Services Follow Up	Significant	5	5	
Accounts Receivable Follow Up	Significant	10	10	
Christchurch Primary School	Limited	36	36	
Blakenall Heath Junior	Significant	13	13	
Mental Health Follow Up	Limited Progress	16	16	
Stroud Avenue Family Centre Follow Up	Significant Progress	1	1	
Adult Safeguarding	Borderline Significant	24	22	2
Green Spaces	Significant	9	8	1
Customer Engagement, Consultation & Complaint Management	Borderline Significant	30	19	11
Bereavement & Registration	Significant	14	13	1
Better Care Fund	Significant	2	1	1
		338	317	21

The tables below provide a summary of the status of all 2016/17 recommendations where the proposed implementation date was at or before 30th September 2017 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				
Homelessness March 2017	Substantial/ Substantial	5	4								Dec 2017		1
Town & District Centres Markets March 2017	Limited / Limited	12	6		3		2			1	July 2017	Dec 2017	
Facilities Management January 2017	Limited / Limited	15	9				3				June 2017	Dec 2017	3
Pheasey Park Farm Children's Centre January 2017	Substantial / Limited	15									Jun 2017	Dec 2017	15
Appointeeships & Deputyships April 2017	Limited / Limited	18	11	1	3		2				Dec 2017		1
Adoption & Fostering March 2017	Good / Substantial	4	3								April 2018		1
Council Tax / NNDR May 2017	Substantial/ Substantial	7	5		1		1				Aug 2017	Nov 2017	
Community Alarms & telecare Services June 2017	No / Limited	20	5								Aug 2017 (temp measures)		15
Salisbury Primary School June 2017	n/a	20	6	1	6						Dec 2017		7

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**				
Cyber Security February 2017	Limited / Limited	8	2		1						Feb 2018		5
Support Planning, Resource Allocation, Personal Budgets & Direct Payments September 2017	Significant / Limited	12	7		3						Mar 2018		2
		136	58	2	17			8		1			50

Fully implemented 2016/17 audit reports

Title	Assurance Level	Raised	Implemented	No Longer Relevant
Delves Infant & Nursery School	Good / Substantial	6	6	
Elmwood School	Good / Substantial	4	4	
St Francis Catholic Primary School	Good / Substantial	1	1	
Rowley View Nursery	Substantial / Good	4	4	
Pool Hayes Primary School	Substantial / Substantial	16	16	
St Anne's Catholic Primary School	Substantial / Substantial	14	14	
County Bridge Primary School	Substantial / Substantial	14	14	
St Joseph's Catholic Primary School	Substantial / Substantial	4	4	
Whitehall Nursery & Infant School	Substantial / Substantial	15	15	
St Peter's Catholic Primary School	Substantial / Substantial	11	11	
Blue Coat Federation	Substantial / Substantial	10	10	
Brownhills West Primary School	Substantial / Substantial	11	11	
Castlefort Primary School	Substantial / Substantial	8	8	
Whetstone Primary School	Substantial / Substantial	15	15	
St Bernadettes Catholic Primary School	Substantial / Substantial	19	19	
St Marys of the Angels Catholic Primary School	Substantial / Substantial	10	10	
Abbey Primary School	Limited / Substantial	16	16	
Shorth Heath Federation	Substantial / Substantial	17	17	
St Francis of Assisi	Good / Substantial	10	10	
Code of Conduct for Operational PFI/PPP Contracts	Good / Substantial	1	1	
Accounts Payable	Good / Substantial	2	2	
Main Accounting	Good / Good	1	1	
Troubled Families Grant	Limited / Substantial	5	5	
CRC Energy Efficiency Scheme	Substantial / Limited	10	10	

Title	Assurance Level	Raised	Implemented	No Longer Relevant
Accounts Receivable	Substantial / Substantial	2	2	
Treasury Management	Substantial / Substantial	3	3	
Payroll & Pensions Administration	Substantial / Substantial	6	6	
Budgetary Control	Substantial / Substantial	2	2	
School Improvement Services	Substantial / Substantial	1		1
Little Bloxwich Primary School	Substantial / Limited	16	16	
Human Resources	Substantial / Substantial	10	10	
Housing Benefit & Council Tax Support	Substantial / Substantial	6	6	
		270	269	1

The tables below provide a summary of the status of all 2017/18 recommendations where the proposed implementation date was at or before 30th September 2017 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				
New Invention Junior School July 2017	Substantial / Substantial	6	5		1						Sept 2017	Dec 2018	
St Michael's Primary School July 2017	Substantial / Limited	18	9								Sept 2018		9
Millfields Nursery School June 2017	Substantial / Limited	14	11								Jan 2018		3
Business Continuity August 2017	Substantial / Substantial	12	5								Apr 2018		7
Leighswood Primary School September 2017	Substantial / Substantial	8	7								Dec 2017		1
Fullbrook Nursery School October 2017	Substantial / Good	6	5								Oct 2017		1
Ogley Hay Nursery School September 2017	Substantial / Limited	16	14						1		Apr 2018		1
Valley Nursery School October 2017	Substantial / Limited	15	10								Nov 2017		5
Mary Elliot School September 2017	Substantial / Substantial	10	7								May 2018		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				
Declarations of Interest	Substantial / Substantial	6	3								Oct 2017		3
		111	76		1			1					33

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	
		40	40	

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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