

Audit Committee – 14 June 2010

Annual Report of the Chief Internal Auditor on the Overall Adequacies of the Internal Control Environment

Summary of the Report

Based solely on the work undertaken by internal audit and its contracted partner organization in 2009/10, a satisfactory level of assurance can be provided in relation to Walsall Council's overall system of internal control.

This opinion is given on the basis of positive action taken by managers to address identified control weaknesses and by providing evidence to auditors confirming that they had implemented or agreed to implement agreed actions detailed within audit report action plans.

Recommendation

- 1. To note the contents of the report.**



Rory Borealis

2 June 2010

Resource and legal considerations

The Accounts & Audit (Amendment) Regulations 2006 require councils to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control. The CIPFA Code of Practice 2006, which sets out the proper practice for internal audit, requires the chief internal auditor to provide an annual report to those charged with governance (this role is discharged by the audit committee at Walsall Council), which should include an opinion on the overall adequacy and effectiveness of the council's control environment.

Governance Issues

Responsibilities

It is a management responsibility to develop and maintain the internal control environment. Internal audit's role is to form an independent and objective opinion on the overall adequacy and effectiveness of the internal control environment (system of internal control).

Control Environment

The CIPFA Code of Practice 2006 states that the control environment comprises the systems of governance, risk management and internal control. The key elements of the control environment include:

- establishing and monitoring the achievement of the organization's objectives;
- the facilitation of policy and decision making ensuring compliance with established policies, procedures, laws and regulations;
- ensuring the economic, effective and efficient use of resources and for securing continuous improvement in the way in which its functions are exercised;
- the financial management of the organization and the reporting of financial management; and
- the performance management of the organization and the reporting of performance management.

Citizen impact

This report reinforces the protection to the council and its officers in respect of the robustness of the internal control framework, and is an integral part of the assurance provided to charge payers on the security of the council's activities and operations.

Performance Management and Risk Management Issues

The activities of the audit committee are an integral part of the council's performance management and corporate governance framework. It can challenge, review and advise on service delivery, council activity and policy with the aim of improving results. The internal audit strategic plan is risk assessed to ensure those areas most at risk are examined as a priority. Regular quarterly reports dealing with internal audit performance and achievements during 2008/9 have been provided to the audit committee and a final report for the year will be considered at this evening's meeting.

Equality Implications

None arising from this report.

Consultation

The assistant director's signature on this report demonstrates that it has been endorsed by the council's statutory chief finance officer.

Background papers

Internal audit reports/files/working papers.

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Chief Internal Auditor's Opinion on the Council's Internal Control Environment

Summary of Opinion

In our opinion, formed solely on the basis of the work undertaken by internal audit and its partner organization in 2009/10, and the positive action taken, intended to be taken or confirmed as having been taken by managers to implement agreed audit report actions, Walsall Council's overall system of internal control facilitates the effective provision of the council's functions and provides a satisfactory level of assurance regarding the effective, efficient and economic exercise of the council's functions.

Control weaknesses were identified during the 2009/10 financial year and were reported as such to the relevant managers. The opinion as to the level of assurance that can be placed on the system of internal control is based on evidence provided by managers to auditors confirming that they had implemented or agreed to implement actions detailed within agreed audit report action plans in the areas for which they are responsible. These are considered within the report.

The system of internal control can only provide reasonable and not absolute assurance regarding the achievement of the council's policies, aims and objectives. The opinion is based on work in the approved operational audit plan, including irregularity, consultancy and advisory work carried out in 2009/10.

All audit work is subject to agreed terms of reference, objectives and resources allocated by the council for that purpose.

External audit review of internal audit

The external auditor's 'Audit Approach Memorandum' for the year ended 31 March 2010, states:

'In accordance with professional standards and our audit approach, a comprehensive review of the internal audit service is only undertaken every 3 years, unless there is an indication that a more frequent review is required.

A full review of the council's internal audit service was completed in 2006/07. For 2009/10, our work will involve reviewing the council's progress in implementing the recommendations raised from our full assessment and ensuring that there have been no significant changes to the internal audit service'.

The report goes on to state that the external audit will seek to place reliance on internal audit's work.

The 2006/07 full review detailed within the external auditor's '*Interim Audit Report 2007/8*' stated, among others, that:

Executive Summary:

- 'To the extent covered by the review, we are satisfied that Internal Audit complies with the CIPFA Code of Practice of Internal Audit and we will aim to place reliance on its systems work where this will reduce the level of our detailed final accounts testing
- The high level controls operating at the Council are considered adequate for our external audit needs, with few deficiencies noted....'

Review of Internal Audit Function:

- Overall we have concluded that Internal Audit provides an independent and effective service to the Council. Areas of good practice include:
 - key controls for each system are identified and tested;
 - a formal Internal Audit Charter has been established;
 - an annual strategy is used to plan work and monitor progress;
 - actions and timescales are agreed with management in response to findings;
 - an Annual Report from the Head of Internal Audit is presented to the Audit Committee.
- We consider that Internal Audit arrangements are sufficient for us to place reliance on relevant systems work, where this will reduce the level of our detailed final accounts testing..'

Their review identified one recommendation in relation to implementation of agreed audit report actions by managers which is being addressed.

The external auditor's 'Annual Audit Letter 2009/10 stated:

'The council's internal audit function is key in ensuring that the Council operates a sound system of internal control.

We consider the work of Internal Audit as part of our assessment of the internal control environment and to assist in documenting the key financial controls in place. We did not identify any significant issues that we felt warranted reporting to the council'.

Basis of Audit Opinion

The council's financial and contract rules require maintenance of an internal audit service to provide an independent and objective appraisal function for reviewing the system of internal control. It should examine, evaluate and report on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

Many discrete elements of audit work form a contribution to the opinion. These include planned cyclical audit work, following up previous years' audit reviews, irregularity and consultancy work and also general professional advice where no formal report may have been issued but which contribute to the overall opinion.

Audit activity is planned on a risk-based, systematic approach which incorporates the results of consultation with executive directors, assistant directors and senior managers. The council's statutory Section 151 Officer (assistant director – finance) approves the strategic audit plan which is also endorsed by the corporate management team (CMT) and the audit committee.

There were no constraints placed on the scope of internal audit work in the year. Unplanned work was lower than anticipated (by 114 days) but arising from an inability to recruit to a principal and auditor positions, it became possible for auditors who would normally deal with fraud or irregularity referrals to be able to undertake some of the vacant principal and auditor positions' work. It was however, necessary to allocate some planned regularity work to our private sector partner. Resources were

available to meet this demand and our partner followed internal audit's approach in undertaking their audit work.

For each area of planned audit activity, an overall audit opinion is reported with the range of assurance opinions being given. The levels of assurance rating are described as follows:

Overall Audit Opinion	
Full Assurance	Full assurance that the system of internal control is designed to meet the organization's objectives and controls are consistently applied in all the areas reviewed.
Significant Assurance	Significant assurance that there is a generally sound system of control designed to meet the organization's objectives. However, some weakness in the design or inconsistent application of controls put the achievement of particular objectives at risk.
Limited Assurance	Limited assurance as weaknesses in the design or inconsistent application of controls put the achievement of the organization's objectives at risk in the areas reviewed.
No assurance	No assurance as weaknesses in control, or consistent non compliance with key controls, [could result / have resulted] in failure to achieve the organization's objectives in the areas reviewed.

Appendix A details the overall audit rating for each review undertaken during 2009/10 and **Appendix B** details, among others, the audit opinion on all fundamental systems/processes audited during the year.

nb The Internal Control Environment

During 2009/10, 133 specific audit reviews were undertaken excluding unplanned irregularity and consultancy work. This included producing one comprehensive report only for certain fundamental system reviews rather than a separate report for each directorate – debtors, creditors and budgetary control. Although most of the reviews, 111 (83%), received a full, significant or compliant audit opinion, 22 reviews (17%) received an opinion rating of limited, no assurance or non compliant.

Fundamental financial systems:

These are shown at **Appendix C** and most are operating satisfactorily, receiving either full or significant assurance opinions.

With regard to the 'payroll' review this received a limited opinion. The summary audit opinion for payroll states:

- Some progress has been made in actioning previously agreed audit report actions and HRD have continued to develop and improve HRD direct, the corporate employee and manager portal. Systems for the verification of the establishment structure, including the availability of structure information via HRD Direct; segregation of duties via individual teams such as the transactional recruitment team and the transactional team; and the use of 'Intelligent', an electronic database for the management and recording of personal files remain good practice.
- Significant areas for improvement have, however, been identified in ensuring controls and processes are fully effective, for example, in the processing of new

starters, variations to pay and leavers. Controls regarding the management and rectification of overpayments; and employee expenses were noted as requiring significant strengthening this year. As a result of this, the audit opinion for payroll has moved from borderline significant to limited assurance.

Other financial/non financial systems:

During 2009/10 audit reviews were undertaken of other financial/non financial systems and processes that contribute to the council's overall corporate governance arrangements. The work identified that although in most audit assignments the processes examined were generally working satisfactorily, system weaknesses were identified in a number of services as shown on **Appendix C**. A number of high priority suggested improvements were made during the year to address control weaknesses and all were or are being agreed for implementation by managers. The overall summary audit opinions are shown within the Appendix together with areas of good practice and areas where control weaknesses were identified.

Contractors' final accounts:

In accordance with financial and contract rule 15.3.1 (b) final accounts with a value £150k or more should be made available for review by internal audit along with details relating to obtaining authority, planning, tendering, award, operation and payments relating to the project.

A total of 16 final accounts were examined during the year. This involved a comparison of the documentation provided with the council's requirements as expressed in its financial and contract rules. Nine of these reviews were given a limited assurance rating as shown on Appendix C and were considered to have been poorly managed.

A contract systems audit was also undertaken this year. The review, entitled the examination of control of the schedule of rates contract for repair maintenance and minor works to council buildings 2008-2011, received a limited assurance opinion.

Reasons for criticism of systems used to control major contracts include:

Failure to obtain appropriate authority: While some good practice was noted in the tendering and award of contracts, there have been a number of instances where managers failed to obtain appropriate authority either to commence the procurement process or to approve the appointment of a contractor.

Lack of documentation / surety / contract under seal: On a number of occasions, documents were not available through which to evidence a contractor's compliance with race relations, health and safety, and contract design and management requirements. There were also instances where the creation of a surety against the works' completion had not been evidenced or where the council's contract had not been executed under the council's seal but had relied upon official orders, exchange of letters or signed documents.

Documentation approving additional works / time extensions: Performance of contracts appears to have been generally good, but instances were found where requests for additional works had not been documented at the time they were ordered or where extensions of time had been agreed but remained uncertified.

Delays in submitting final accounts to audit: A major concern was the delay in providing agreed final accounts to the auditor. A number of these accounts were completed by officers not in post at the time works were planned or procured. This

led to the late production of certificates showing the making good of defects, completed projects and to the absence of calculations for certain additional payments.

Auditors have received assurances from managers that they have implemented procedures to minimise the risk of these control weaknesses recurring.

By their nature, these final accounts are historical and those officers responsible for failure to comply with financial and contract rules, or previous procedures, have now, in the main, left the authority's employment. Senior managers now in place are concerned to ensure that previously encountered procedural difficulties are not repeated and have stated to auditors their intention to continue to take robust action in making sure that their officers' follow the approved rules at all times.

Computer Audit Work:

Computer audit work is undertaken, under contract, by our external audit partner. During the year they completed 8 specific projects and details of the work undertaken are shown at Appendix B.

Most of these reviews received a full or significant assurance opinion.

The information security management review, however, received a limited assurance opinion. Areas for improvement noted in the report, including ensuring that a corporate-wide approach to information security management is promoted; that staff awareness of information security control requirements is required; that an update to the overarching information security protocol statement that governs the security of information assets is also required; and that information security control procedures are reviewed and updated.

Appendix C lists the 22 audit reviews where a limited, no assurance or non compliant opinion rating was given (excluding unplanned irregularity and consultancy work). The summary shows the status of each review as at 31 March 2010 and indicates managers' agreement to report action plans. Due to internal audit's need to ensure a full year sample coverage, many 2009/10 reports are finalised following the financial year end. Hence some reports may still appear as draft.

Advice and Consultancy

Professional advice and consultancy assistance was provided to managers during the year with details of this work being reported quarterly to the Audit Committee. The work has been varied and included attendance at, or contribution to, a number of initiatives such as finance direct, future jobs fund, the personalization agenda within social care and inclusion, domiciliary care and a review of members' allowances.

Audit officers have also continued to play a key role in the preparation of the draft procurement code and review of financial and contract rules and had input into the many policy and procedural reviews such as phone usage, e mail / internet, payment cards and anti fraud /corruption.

A database has been created to record all enquiries to auditors. This has highlighted the type and extent of advice provided to managers. During the year ending 31 March 2010, 389 responses to requests for advice were provided, many of these were detailed and required one or more emails.

Fraud and Irregularity

A total of 107 unplanned jobs, including suspected frauds and irregularities, were undertaken by the service during the year, 2 being notified through the whistle blowing procedure. A contingency exists within the annual audit plan for this type of work, including consultancy. A lower than anticipated level of time was spent on this work during the year; a reduction of 114 days. A summary of the audit inquiry work undertaken is reported quarterly to the audit committee. While none of the cases were material in the context of the Annual Governance Statement, a brief summary of a number of the cases is shown below:

Internet / e mail systems' misuse / inappropriate computer content

A number of managers reported concerns with employees allegedly making inappropriate use of the council's internet and e mail facilities and downloading inappropriate material onto the council's equipment. All reported cases were investigated and appropriate action taken. The number of reported cases is much reduced in comparison to previous years.

The e mail and internet policy has been reviewed to address those areas where weaknesses have been identified.

Freedom of Information / Data Protection Act requests

Statistical information and responses in connection with surveillance work approved under the Regulation of Investigatory Powers Act (RIPA) 2000 were provided to enable responses to be made to several media and councillor requests for information.

Head of audit grant claim certification

Requests were received for the head of audit's certification of grant claims. These claims were audited and certification provided as necessary, together with action plans where appropriate to improve grant administration processes.

Assistance with external inquiries

Audit assistance was provided in order to progress the external investigations undertaken by the external auditor in respect of European funding. Due to the historic nature of this funding the control weaknesses identified during this review do not have a material impact on the overall opinion on the council's control environment in 2009/10. However, as part of the agreed action plan arising from the review, internal audit will have an enhanced role in ensuring that appropriate systems are in place to manage grant funded projects and the results from these reviews will be reported to the audit committee.

Misuse of funds/resources

Several cases were reported for investigation alleging misuse of grants, resources, equipment, car mileage and the ATAR system.

Employee right to work in the UK

Cases were identified where employees had no right of entitlement to work in the UK. These cases were identified and action taken as appropriate.

Contract issues

Allegations regarding inappropriate contract awards and contract monitoring were received for investigation.

Other audit activity

Appendix B, in addition to providing the audit opinion on key system work, also sets out completed computer audit activity and school audit visits (FMSiS reviews).

Performance

The overall performance of internal audit in 2009/10 will be reported to this evening's meeting and will demonstrate a high level of performance indicator achievement for the year including undertaking 96% of the approved audit work plan.

The report will also show that 87% of desired outcomes arising from earlier internal audit findings were confirmed as achieved at internal audit's next visit, an increase on last year's 78%. That is, while 87% of control issues identified in previous audits were found to have been fully addressed at the next audit, 13% continued to be identified as issues requiring further management attention to resolve.

Of the 13% (23) of agreed actions not implemented, 17% (4) were 3*, 61% (14) were 2* and 22% (5) were 1*. 91% (21) of the unimplemented agreed actions had actually been confirmed as implemented by the relevant manager. These can be broken down as 14% (3) 3*, 62% (13) 2* and 24% (5) 1*. The reason for non implementation of these agreed actions was found to be as follows:

- 91% - managers had not undertaken actions as agreed; and
- 9% - managers had undertaken some or all of the agreed actions but these actions had not been entirely successful in addressing the weaknesses identified.

A 87% level of achievement of desired outcome remains slightly disappointing, given the extent of follow-up arrangements now in place to improve management's performance in this area and the positive action taken by directorate managers to implement agreed actions. The chief executive has made it very clear to his management team that he expects executive directors to take personal responsibility for delivery of the necessary outcomes. The corporate management team considered a report of outstanding agreed actions on 11 June 2009 with a view to improving performance in this area and there is a much stronger understanding about the issues arising. This will feature regularly on the corporate management team agenda to ensure a strong team ethos in pursuing the desired outcomes notwithstanding that earlier management actions have been taken.

The directorate management teams' involvement in seeking assurance from their managers that they have implemented or are taking action to implement agreed actions should also assist the process. The audit committee has remained insistent that this level of achievement should improve and the potential for executive and assistant directors, whose managers fail to implement agreed actions, having to attend before the committee to provide explanation, will be re-enforced.

In considering the annual report at its 23 June 2008 meeting, the committee was concerned with the level of achievement in this area. This resulted in a report to CMT on the 31 July 2008 where a number of actions were agreed with a view to improving performance. This included increasing the target level for implementation of agreed actions from 95% for all actions to 95% for 1* and 2* actions and 100* for 3* actions.

Those reviews where agreed actions have been re-stated are included within the internal audit activity report for the year ending 31 March 2010 on this evening's agenda.

As part of the Annual Governance Statement process, executive directors and assistant directors are asked to sign off the schedule of reports and agreed actions confirming that their managers had taken all appropriate action to implement agreed actions. All have returned their signed schedules to the 31 December 2009 and the documents to the 31 March 2010 will be signed returned by the 8 June 2010.

TASK	Auditor	Completed Date	Not Achievable	Overall Assurance Rating
COUNCIL STRATEGIC:				
Financial & Contract Rules	SO	31.03.10		n/a
Charity Meetings	various	31.03.10		n/a
Benchmarking	DB/MA	31.03.10		n/a
IPM - Internal Audit	various	31.03.10		n/a
Data Matching NFI	DB/MA	31.03.10		n/a
Data Matching Regional	DB/MA	31.03.10		n/a
Follow up of Agreed Actions	various	31.03.10		n/a
RIPA (DB)	DB	31.03.10		n/a
Equalities - Internal Audit	RN	31.03.10		n/a
Service Planning -Internal Audit	CB	31.03.10		n/a
UNPLANNED/FR6:	various	31.03.10		n/a
MAJOR SYSTEMS:				
REGENERATION				
Building Control	DW	*	*	*
Land Charges	KT	07.04.10		full
Strategic Regeneration (Economic & Strategy)	CONS	*	*	*
FINANCE:				
Free School Meals	KT	23.11.09		significant
Council Tax / NNDR	CONS	08.03.10		significant
Housing and Council Tax Benefits	CONS	draft		significant
Income Management System	CONS	28.01.10		significant
Nominal Ledger & Central Accounting	CONS	26.03.10		significant
VAT	RS	04.01.10		significant
Treasury Management	JS	16.02.10		significant
Procurement	CONS	*	*	*
STRATEGIC TRANSFORMATION				
Accounts Payable (Creditors)	KT	draft		significant
Accounts Receivable (Debtors)	LW	draft		significant
BUILT ENVIRONMENT:				
Highways Maintenance	CONS	*	*	*
Hampton Principles - National Enforcement Priorities	ES	*	*	*
Road Safety Unit	KT	30.11.09		significant
Street Cleaning	LW	merged with grounds establishment		
Registrars	ES	*	*	*
Trading Standards / Consumer Advice	ES	23.12.09		full
Fleet Services	DW	draft		significant (probable)
Transport Services	CONS	draft		limited
Black Country Knowledge Society	KT	*	*	*
Environmental Health Division	LW	draft		significant
Pollution Control	KT	draft		significant
WALSALL PARTNERSHIP				
Walsall Partnership	CONS	15.03.10		significant
Area Based Grant	CONS	draft		
Working Neighbourhood Fund (WNF)	CONS	20.01.10		borderline significant
LEISURE CULTURE & LIFELONG LEARNING:				
New Art Gallery	ES	draft		limited
Grounds Establishment	LW	draft		significant
Creative Development Team	DH	draft		significant (probable)
UNIVERSAL SERVICES				
Youth Service:	ES	*	*	*
Playing for Success	KT	04.12.10		significant
Bryntysilio	ES / KT	*	*	*
SPECIALIST SERVICES				
Family Centres:				
Stroud Avenue	JS	24.02.10		significant
Dale Street	JS	22.03.10		significant
Foster Care & Adoption	RS	draft		significant
Looked After Childrens Team	JS	draft		significant
ADULT SERVICES:				

TASK	Auditor	Completed Date	Not Achievable	Overall Assurance Rating
Learning Disabilities Pooled Budget	CONS	draft		significant
ICES Pooled Budget	CONS	draft		significant
Occupational Therapy	ES	draft		borderline significant
Transport Services Reconfiguration	CONS	merged with transport services		
Housing 21 Contract Monitoring	RS	draft		significant
Walsall / Dudley Mental Health Partnership	CONS	draft		significant
Home Care Service	ES	draft		limited
Independent Sector - Residential & Day Care	LW	draft		limited
Community Meals - Contract Monitoring	JS	draft		limited
Personal Monies & Reconciliation	CONS	15.12.09		significant
Community Alarm Service	ES	draft		limited
Links to Work	CONS	draft		significant
Direct Payments	CONS	draft		limited
HOUSING SERVICES:				
Housing Strategy & Partnerships	RS	15.01.10		significant
Homelessness Establishments:				
Dolphin House	ES	24.05.10		limited
Rivers House	ES	draft		significant
Gypsies & Travellers (inc Travellers Site)	ES	*	*	*
Supporting People	RS	draft		significant
Housing Improvement & Standards	LW	draft		significant
ALL:				
Performance Management - PI's / BV	CONS	draft		significant
Budgetary Control(incl MTFP, gershon/transformation)	CONS	draft		significant
Capital Accounting	JS	26.08.09		significant
Capital Programme	CONS	draft		full
CPA / CAA	DW	31.03.10		n/a
Inventories / Stock:	CONS			
Links to Work	-	draft		limited
Gala Baths	-	draft		significant
Print Room	-	draft		significant
Payroll	MA	draft		limited
Capital Receipts	ES	09.04.10		significant
Agency Workers	CONS	draft		significant
Risk Register - Review of Remainder 'Mop up'	DB	draft		full (probable)
REGULARITY:				
REGENERATION				
Advice	CB/DW	31.03.10		n/a
NEW DEAL:				
Advice	CB	31.03.10		n/a
FINANCE:				
Audit Committee Reports/Attendance	various	31.03.10		n/a
Bank Account Reconciliations (consolid - inc benefits)	CONS	20.04.10		significant
Advice	RN/MA	31.03.10		n/a
Housing/Council Tax Benefits:				
Residency Checks - Housing & Council Tax Benefits	MA/ES/KT	*	*	*
Large Housing & Ctax Benefit Adjustments	AUD (F/U)	*	*	*
Subsidy Claim - Hsg & Ctax Benefits	AUD (F/U)	*	*	*
LEGAL SERVICES:				
Advice	RN/CB	31.03.10		n/a
STRATEGIC TRANSFORMATION				
Advice	RN/CB	31.03.10		n/a
ICT				
Advice	CB	31.03.10		n/a
BUILT ENVIRONMENT:				
Advice	CB/DW	31.03.10		n/a
WALSALL PARTNERSHIP:				
Advice	CB/DW	31.03.10		n/a
LEISURE CULTURE & LIFELONG LEARNING				
Advice	CB	31.03.10		n/a
UNIVERSAL SERVICES				
Schools - Advice & Support	various	31.03.10		n/a

TASK	Auditor	Completed Date	Not Achievable	Overall Assurance Rating
FMSIS General & Follow Up Advice	various CB/DW	31.03.10 31.03.10		n/a n/a
Primary Schools:				
Abbey JMI	SM	20.04.10		compliant
Blakenall Heath Junior	KT	16.02.10		compliant
Blue Coat Infants	SM	23.03.10		compliant
Blue Coat Junior	SM	03.03.10		compliant
Brownhills West JMI	KT	20.04.10		compliant
Castlefort JMI	SM	29.03.10		compliant
Christchurch JMI	KT	12.10.09		compliant
County Bridge JMI	KT	13.04.10		compliant
Croft Community JMI	SM	22.04.10		compliant
Delves Infants	KT	05.03.10		compliant
Harden JMI	KT	22.04.10		compliant
Little Bloxwich JMI	SM/ES	13.04.10		compliant
Pheonix JMI	LW	13.04.10		compliant
Pool Hayes JMI	KT	07.04.10		compliant
Rosedale JMI - Short Heath Federation	SM	22.04.10		compliant
Short Heath Junior - Short Heath Federation	SM	22.04.10		compliant
St Annes JMI	KT	23.03.10		compliant
St Bernadettes JMI	SM	20.04.10		compliant
St Francis JMI	KT/ES	19.04.10		compliant
St Josephs JMI	KT	10.03.10		compliant
St Marys of the Angels JMI	SM	23.03.10		compliant
St Peters JMI	KT	11.03.10		compliant
St Thomas of Canterbury JMI	SM	30.03.10		compliant
Sunshine Infants	KT	13.04.10		compliant
Watling St JMI	KT	11.03.10		compliant
Whetstone Field JMI	SM	07.04.10		compliant
Whitehall Infants	KT	22.04.10		compliant
Secondary Schools:				
Aldridge Science School	LW	12.01.10		compliant
Alumwell Business & Enterprise College	SM	19.01.10		compliant
Barr Beacon Language College	KT/ES	05.01.10		compliant
Blue Coat Performing Arts College	SM	18.02.10		compliant
Brownhills Community Technology College	LW	16.02.10		compliant
Darlaston Community Science College	KT	*	*	*
Elmwood	LW	12.03.10		compliant
Frank F Harrison Community College	SM/ES	22.04.10		non compliant
Joseph Leckie Technology College	LW	draft		compliant
Pool Hayes Community College	KT	01.02.10		compliant
Queen Marys Grammar	SM	01.02.10		compliant
Queen Marys High	LW	07.01.10		compliant
Shire Oak Science College	KT	22.01.10		compliant
Sneyd Community College	SM	*	*	*
St Francis of Assisi	LW	05.01.10		compliant
St Thomas More Business & Enterprise College	KT	05.01.10		compliant
Streetly Specialist Sports College	SM	15.02.10		compliant
Willenhall Sports College	LW	14.12.09		compliant
Nursery Schools:				
Alumwell Nursery	KT	23.03.10		compliant
Fullbrook Nursery	SM	30.03.10		compliant
Lane Head Nursery - Short Heath Federation	KT	22.04.10		compliant
Millfield Nursery	SM	04.03.10		compliant
Ogley Hay Nursery	SM	22.04.10		compliant
Rowley View Nursery	KT	07.04.10		compliant
Sandbank Nursery	SM	19.01.10		compliant
Valley Nursery	KT	20.04.10		compliant
SPECIALIST SERVICES				
Advice	RN/MA	31.03.10		n/a
STRATEGY & GOVERNANCE				
Advice	CB/DW	31.03.10		n/a

TASK	Auditor	Completed Date	Not Achievable	Overall Assurance Rating
SOCIAL CARE & INCLUSION:				
Advice	RN/MA/PA	31.03.10		n/a
CONTRACT AUDIT:				
Final Accounts	SO			
Edgar Stammers Childen's Centre		draft		limited
Birchills Children's Centre		draft		limited
Frank F Harrison STEM Centre		draft		limited
Minor Highways Improvements Contract		06.10.09		full
Essington Lodge		draft		significant
Castle Business and Enterprise College		draft		limited
Bloxwich CE Junior School		draft		limited
Forest Community Squash Court and Gym Refurb		draft		significant
Fibbersley Park School		draft		limited
New Invention Junior Phase 2		draft		significant
Aldridge Airport		draft		limited
St James and Ogley Hay Children's Centre		draft		limited
Beacon Children's Centre		draft		limited
Smith and Thomas House		draft		significant
Machine Planing Schedule of Rates 2003-2005		draft		full
Dorothy Pattison - Multi Faith Centre		draft		significant
Systems Based:	SO			
Maintenance SOR Contracts	SO	draft		limited
Current Construction Contracts	SO	draft		significant
Building Schools for the Future		draft		full
Advice	SO	31.03.10		n/a
COMPUTER AUDIT:				
Business Continuity	CONS	draft		significant
Project & Programme Management	CONS	draft		significant
Information Security Management	CONS	draft		limited
Malicious Software Protection	CONS	draft		significant
Payroll (Trent) - inc HRD Portal	CONS	draft		full
Council Tax (SX3)	CONS	draft		full
SX3 Migration	CONS	12.11.09		full
NNDR (SX3)	CONS	draft		full
Finance Direct	CONS	merged with project & programme management		

27.05.10

COMPLETE
WIP
UNABLE TO PROGRESS

TASK	AUDIT TYPE	No of Days	Auditor	Audit Manager	QTR	Previous Audit		Current Audit				
						Follow Up Details	3* actions	TOR Issued Date	Start Date	Final Draft Date	Final Date	Rating
COUNCIL STRATEGIC:												
Financial & Contract Rules	-	11	SO	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Charity Meetings	-	8	various	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Benchmarking	-	5	DB/MA	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
IPM - Internal Audit	-	10	various	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Data Matching NFI	-	10	DB/MA	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Data Matching Regional	-	5	DB/MA	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Follow up of Agreed Actions	-	216	various	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
RIPA (DB)	-	5	DB	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Equalities - Internal Audit	-	5	RN	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Service Planning -Internal Audit	-	10	CB	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
UNPLANNED/FR6:												
MAJOR SYSTEMS:												
REGENERATION												
Building Control	S	8	DW	CB	3	all-confirmed-as-implemented	4					
Land Charges	S	9	KT	CB		all confirmed as implemented	5	24.06.09	18.06.09	22.03.10		
Strategic Regeneration (Economic & Strategy)	S	10	CONS	CB		n/a	n/a					
Building Schools for Future	S	8	SO	CB		n/a	n/a	16.12.09	Jan-10	draft issued		
FINANCE:												
Free School Meals	S	7	KT	RN		pre follow up	n/a	18.06.09	16.06.09	12.11.09	23.11.09	significant
Council Tax / NNDR	S	30	CONS	RN	3	follow up due August 09	2	27.10.09	Oct-09	4.2.10	8.3.10	significant
Housing and Council Tax Benefits	S	30	CONS	RN		8/9 conf as imp - next f/up Jan 10	5	27.10.09	Oct-09	19.2.10		significant
Income Management System	S	10	CONS	RN	4	all confirmed as implemented	1	24.11.09	Nov-09	18.1.10	28.1.10	significant
Nominal Ledger & Central Accounting	S	20	CONS	RN	4	all confirmed as implemented	0	9.11.09	Nov-09	11.3.10	26.3.10	significant
VAT	S	8	RS	RN	3	all confirmed as implemented	0	06.10.09	06.10.09	3.12.09	4.1.10	significant
Treasury Management	S	10	JS	RN	2	3/4 conf as imp - next f/up Aug 09	1	22.09.09	21.09.09	8.2.10		significant
Procurement	S	20	CONS	GB		follow-up due November 09	8					
STRATEGIC TRANSFORMATION												
Accounts Payable (Creditors)	S	30	KT	CB		follow up due August 09	7	12.1.10	Jan-10	31.03.10?	Mar-10	
Accounts Receivable (Debtors)	S	20	LW	RN		follow up due October 09	8	13.1.10	Jan-10	31.03.10?	Mar-10	
BUILT ENVIRONMENT:												
Highways Maintenance	S	10	CONS	CB		1/3 conf as imp - next f/up Oct 09	4					
Hampton Principles - National Enforcement Priorities	S	8	ES	CB	2	n/a	n/a					
Road Safety Unit	S	8	KT	CB		all confirmed as implemented	1	10.07.09	03.07.09	30.10.09	30.11.09	significant
Street Cleaning	S	8	LW	CB		5/6 conf as imp - being audited	1	merged with grounds establishment audit				
Registrars	S	5	ES	RN	3	26/27 conf as imp - next f/up Oct 09	7					
Trading Standards / Consumer Advice	S	10	ES	CB	1	no agreed actions	0	08.05.09	15.05.09	27.10.09	23.12.09	full
Fleet Services	S	15	DW	CB		n/a	n/a	1.10.09	17.11.09		Apr-10	
Transport Services	S	5	CONS	RN		all confirmed as implemented	5	8.2.10	8.2.10	7.04.10 (D)	Mar-10	limited
Black Country Knowledge Society	S	7	KT	GB		n/a	n/a	CANCELLED				
Environmental Health Division	S	8	LW	CB		all confirmed as implemented	2	14.07.09	21.07.09	draft issued		
Pollution Control	S	8	KT	CB		all confirmed as implemented	2	16.09.09	10.09.09		Mar-10	
WALSALL PARTNERSHIP												
Walsall Partnership	S	8	CONS	RN		all confirmed as implemented	2	30.11.09	Nov-09	19.2.10 (D)	15.3.10	significant
Area Based Grant	S	25	CONS	RN		n/a	n/a	9.3.10			Mar-10	
Working Neighbourhood Fund (WNF)	S	10	CONS	RN		n/a	n/a	15.10.09	Nov-09	8.1.10	20.1.10	borderline significant
LEISURE CULTURE & LIFELONG LEARNING:												
New Art Gallery	S	9	ES	CB	1	27/28 conf as imp - being audited	10	12.05.09	22.05.09	draft issued		limited
Grounds Establishment	S	9	LW	CB		n/a	n/a	09.07.09	14.07.09	draft issued		
Creative Development Team	S	8	DH	CB		n/a	n/a	6.1.10	6.1.10		Mar-10	
UNIVERSAL SERVICES												

TASK	AUDIT TYPE	No of Days	Auditor	Audit Manager	QTR	Follow Up Details	3* actions	TOR Issued Date	Start Date	Final Draft Date	Final Date	Rating
Youth Service:	S	22	ES	CB	3							
Playing for Success	S	8	KT	CB		unplanned - not followed up	15	11.05.09	08.05.09	19.11.09	04.12.10	significant
Bryntysilio	S	6	ES / KT	CB		all confirmed as implemented	7					
SPECIALIST SERVICES												
Family Centres:												
Stroud Avenue	S	8	JS	RN	1	n/a	n/a	22.06.09	29.06.09	11.02.10	24.02.10	significant
Dale Street	S	8	JS	RN	1	n/a	n/a	22.06.09	29.04.09	10.3.10	22.03.10	significant
Foster Care & Adoption	S	8	RS	RN		all confirmed as implemented	2	7.12.09	Dec 09	Jan 10	Mar-10	
Looked After Childrens Team	S	8	JS	RN	2	all confirmed as implemented	6	3.2.10				
ADULT SERVICES:												
Learning Disabilities Pooled Budget	S	10	CONS	RN		3/7 conf as imp - waiting resp to f/up	1	15.10.09	Jan-10		Mar-10	
ICES Pooled Budget	S	10	CONS	RN		6/12 conf as imp - next f/up Aug 08	7	14.10.09	Jan-10		Mar-10	
Occupational Therapy	S	8	ES	RN	2	all confirmed as implemented	7	05.08.09	17.09.09	8.3.10		borderline significant
Transport Services Reconfiguration	S	8	CONS	RN		n/a	n/a	merged with transport services				
Housing 21 Contract Monitoring	S	15	RS	RN		n/a	n/a	26.10.09	Oct-09	REVIEWED	Mar-10	
Walsall / Dudley Mental Health Partnership	S	8	CONS	RN		n/a	n/a	8.3.10			Mar-10	
Home Care Service	S	10	ES	RN	2	all confirmed as implemented	4	09.10.09	12.10.09		Mar-10	
Independent Sector - Residential & Day Care	S	15	LW	RN		all confirmed as implemented	1	30.11.09	Dec-09	Jan-10	Mar-10	
Community Meals - Contract Monitoring	S	10	JS	RN	4	n/a	n/a	18.2.10			Mar-10	
Personal Monies & Reconciliation	S	8	CONS	RN	4	all confirmed as implemented	8	16.10.09	Oct-09	04.12.09	15.12.09	significant
Community Alarm Service	S	5	ES	RN	2	all confirmed as implemented	12	29.07.09	04.08.09	7.4.09(D)	Mar-10	limited
Links to Work	S	11	CONS	RN	2	all confirmed as implemented	10	8.2.10			Mar-10	
Direct Payments	S	15	CONS	RN		all confirmed as implemented	21	4.12.09	11.1.09	Jan-10	Mar-10	
HOUSING SERVICES:												
Housing Strategy & Partnerships	S	10	RS	RN	3	n/a	n/a	20.10.09	22.10.09	7.1.10	15.1.10	significant
Homelessness Establishments:												
Dolphin House	S	8	ES	RN	3	n/a	n/a	22.1.10	Jan-10		Mar-10	
Rivers House	S	8	ES	RN	2	n/a	n/a	14.10.09	21.10.09	Jan-10	Mar-10	
Gypsies & Travellers (inc Travellers Site)	S	8	ES	RN	3	all confirmed as implemented	14					
Supporting People	S	10	RS	RN		pre follow up	11	26.10.09	Oct-09	Jan-10	Mar-10	
Housing Improvement & Standards	S	8	LW	CB		all confirmed as implemented	2	21.10.09	Nov-09	Jan-10	Mar-10	
ALL:												
Performance Management - PI's / BV	S	20	CONS	CB	4	follow up due September 09	0	15.10.09		18.03.10		
Budgetary Control(incl MTFP, gershon/transformation)	S	20	CONS	CB		follow up due August 09	2	11.11.09			Mar-10	
Capital Accounting	S	5	JS	RN	1	audit already completed	0	22.06.09	23.06.09	23.07.09	26.08.09	significant
Capital Programme	S	25	CONS	CB	4	all confirmed as implemented	0	11.02.10	Feb-10		Mar-10	
GPA / CAA	S	15	DW	CB		n/a	n/a					
Inventories / Stock	S	15	CONS	CB							Mar-10	
Building Cleaning	-	-	-	-	-	all confirmed as implemented	0	23.12.09	Jan-10	Jan-10		
Fleet / Fuel	-	-	-	-	-	all confirmed as implemented	0	"	"	"		
Bloxwich Leisure Centre	-	-	-	-	-	draft report	n/a	"	"	"		
Payroll	S	35	MA	RN		follow up due September 09	39	18.11.09	Jan-10			
Capital Receipts	S	10	ES	RN	4	n/a	n/a	23.12.09	Feb-10	29.3.10	9.4.10	significant
Agency Workers	S	15	CONS	RN		all confirmed as implemented	2	06.10.09	06.10.09		Mar-10	
Risk Register - Review of Remainder 'Mop up'	S	15	DB	CB		n/a	n/a	16.12.09	Dec-09	Jan-10	Mar-10	
REGULARITY:						no agreed actions	0					
REGENERATION												
Advice	R	3	CB/DW	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NEW DEAL:												
Advice	R	1	CB	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FINANCE:												
Audit Committee Reports/Attendance	R	30	various	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bank Account Reconciliations (consolid - inc benefits)	R	7	CONS	RN	4	5/7 conf as imp - next f/up Aug 09	1	29.12.09	Jan-10	Feb-10	Mar-10	
Advice	R	6	RN/MA	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Housing/Council Tax Benefits:												

TASK	AUDIT TYPE	No of Days	Auditor	Audit Manager	QTR	Follow Up Details	3* actions	TOR Issued Date	Start Date	Final Draft Date	Final Date	Rating
Residency Checks - Housing & Council Tax Benefits	R	20	MA/ES/KT	RN	3	all confirmed as implemented	11					
Large Housing & Ctax Benefit Adjustments	R	8	AUD (F/U)	RN		pre follow up	n/a					
Subsidy Claim - Hsg & Ctax Benefits	R	7	AUD (F/U)	RN		pre follow up	n/a					
LEGAL SERVICES:												
Advice	R	3	RN/CB	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
STRATEGIC TRANSFORMATION												
Advice	R	3	RN/CB	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ICT												
Advice	R	1	CB	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
BUILT ENVIRONMENT:												
Advice	R	9	CB/DW	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WALSALL PARTNERSHIP:												
Advice	R	3	CB/DW	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LEISURE CULTURE & LIFELONG LEARNING												
Advice	R	3	CB	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
UNIVERSAL SERVICES												
Schools - Advice & Support	R	20	various	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FMSIS General & Follow Up	R	20	various	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Advice	R	5	CB/DW	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Primary Schools:												
Abbey JMI	R	5	SM	DW		all confirmed as implemented	7		Feb-10		Mar-10	
Blakenall Heath Junior	R	5	KT	DW		all confirmed as implemented	4	-	11.01.10		16.02.10	
Blue Coat Infants	R	5	SM	DW		all confirmed as implemented	2		Feb-10		23.03.10	
Blue Coat Junior	R	5	SM	DW		all confirmed as implemented	5		26.01.10		03.03.10	
Brownhills West JMI	R	5	KT	DW		all confirmed as implemented	5		11.03.10		Mar-10	
Castlefort JMI	R	5	SM	DW		all confirmed as implemented	4		Feb-10		Mar-10	
Christchurch JMI	R	5	KT	DW		all confirmed as implemented	1	-	17.09.09	-	12.10.09	
County Bridge JMI	R	5	KT	DW		all confirmed as implemented	1		Mar-10		Mar-10	
Croft Community JMI	R	5	SM	DW		all confirmed as implemented	0		Feb-10		Mar-10	
Delves Infants	R	5	KT	DW		all confirmed as implemented	8		Jan-10		05.03.10	
Harden JMI	R	5	KT	DW		all confirmed as implemented	2		03.02.10		Mar-10	
Little Bloxwich JMI	R	5	SM/ES	DW	4	22/24 conf as imp - f/up sent 29/1/08	3		Feb-10		Mar-10	
Pheonix JMI	R	5	LW	DW		n/a	n/a		Jan-10		Mar-10	
Pool Hayes JMI	R	5	KT	DW		all confirmed as implemented	0		Jan-10		Mar-10	
Rosedale JMI - Short Heath Federation	R	5	SM	DW		all confirmed as implemented	2		Feb-10		Mar-10	
Short Heath Junior - Short Heath Federation	R	5	SM	DW		no response to follow up	6		Feb-10		Mar-10	
St Annes JMI	R	5	KT	DW		all confirmed as implemented	3		Feb-10		23.03.10	
St Bernadettes JMI	R	5	SM	DW		all confirmed as implemented	3		Feb-10		Mar-10	
St Francis JMI	R	5	KT/ES	DW	4	all confirmed as implemented	3		23.02.10		Mar-10	
St Josephs JMI	R	5	KT	DW		all confirmed as implemented	2		19.01.10		10.03.10	
St Marys of the Angels JMI	R	5	SM	DW		15/16 confirmed as implemented	5		Jan-10		23.03.10	
St Peters JMI	R	5	KT	DW		all confirmed as implemented	1		Jan-10		11.03.10	
St Thomas of Canterbury JMI	R	5	SM	DW		all confirmed as implemented	5		09.03.10		Mar-10	
Sunshine Infants	R	5	KT	DW		all confirmed as implemented	1		25.02.10		Mar-10	
Watling St JMI	R	5	KT	DW		all confirmed as implemented	3		19.01.10		11.03.10	
Whetstone Field JMI	R	5	SM	DW		all confirmed as implemented	4		Jan-10		Mar-10	
Whitehall Infants	R	5	KT	DW		all confirmed as implemented	3		Feb-10		Mar-10	
To be determined	R	5	SM	DW		n/a	n/a					
To be determined	R	5	KT	DW		n/a	n/a					
To be determined	R	5	LW	DW		n/a	n/a					
Secondary Schools:												
Aldridge Science School	R	5	LW	DW		22/25 confirmed as implemented	3		08.12.09		12.01.10	
Alumwell Business & Enterprise College	R	5	SM	DW		all confirmed as implemented	2		25.11.09		19.01.10	
Barr Beacon Language College	R	5	KT/ES	DW	3	?			03.12.09			
Blue Coat Performing Arts College	R	5	SM	DW		?			Feb-10		18.02.10	

TASK	AUDIT TYPE	No of Days	Auditor	Audit Manager	QTR	Follow Up Details	3* actions	TOR Issued Date	Start Date	Final Draft Date	Final Date	Rating
Brownhills Community Technology College	R	5	LW	DW		?			25.01.10		16.02.10	
Darlaston Community Science College	R	5	KT	DW		?			-			
Elmwood	R	5	LW	DW		n/a	n/a		Feb-10		12.03.10	
Frank F Harrison Community College	R	5	SM/ES	DW	3	all confirmed as implemented	5		16.11.09		Mar-10	
Joseph Leckie Technology College	R	5	LW	DW		16/17 confirmed as implemented	2		03.12.09		Mar-10	
Pool Hayes Community College	R	5	KT	DW		all confirmed as implemented	3		01.12.09		01.02.10	
Queen Marys Grammar	R	5	SM	DW		28/29 confirmed as implemented	2		05.11.09		01.02.10	
Queen Marys High	R	5	LW	DW		all confirmed as implemented	1		17.12.09			
Shire Oak Science College	R	5	KT	DW		all confirmed as implemented	3		26.11.09		22.01.10	
Sneyd Community College	R	5	SM	DW		17/18 confirmed as implemented	3		14.12.09			
St Francis of Assisi	R	5	LW	DW		5/6 confirmed as implemented	1		11.11.09		05.01.10	
St Thomas More Business & Enterprise College	R	5	KT	DW		all confirmed as implemented	0		15.12.09		05.01.10	
Streetly Specialist Sports College	R	5	SM	DW		20/24 confirmed as implemented	4		10.12.09		15.02.10	
Willenhall Sports College	R	5	LW	DW		no follow up	3		10.11.09		14.12.09	
Nursery Schools:												
Alumwell Nursery	R	5	KT	DW		all confirmed as implemented	4		01.02.10		23.03.10	
Fullbrook Nursery	R	5	SM	DW		all confirmed as implemented	1		Jan-10		Mar-10	
Lane Head Nursery - Short Heath Federation	R	5	KT	DW		all confirmed as implemented	1		Feb-10		Mar-10	
Millfield Nursery	R	5	SM	DW		all confirmed as implemented	3		Feb-10		04.03.10	
Ogley Hay Nursery	R	5	SM	DW		all confirmed as implemented	3		09.02.10		Mar-10	
Rowley View Nursery	R	5	KT	DW		all confirmed as implemented	1		Feb-10		Mar-10	
Sandbank Nursery	R	5	SM	DW		all confirmed as implemented	4		11.12.09		19.01.10	
Valley Nursery	R	5	KT	DW		no response to follow up	1		Feb-10		Mar-10	
SPECIALIST SERVICES												
Advice	R	8	RN/MA	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
STRATEGY & GOVERNANCE												
Advice	R	4	CB/DW	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SOCIAL CARE & INCLUSION:												
Advice	R	16	RN/MA/PA	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CONTRACT AUDIT:												
Final Accounts	contract	35	SO	CB								
Edgar Stammers Childen's Centre									28/09/2009			
Birchills Children's Centre									14/10/2009			
Frank F Harrison STEM Centre									22/10/2009			
Minor Highways Improvements Contract									18/08/2009		Oct-09	
Essington Lodge									09/10/2009			
Castle Business and Enterprise College									29/10/2009			
Bloxwich CE Junior School									13/11/2009			
Forest Community Squash Court and Gym Refurb									08/12/2009			
Fibbersley Park School									02/12/2009			
New Invention Junior Phase 2									06/01/2010			
Aldridge Airport									11/01/2010			
St James and Ogley Hay Children's Centre									29/01/2010			
Beacon Children's Centre									15/02/2010			
Smith and Thomas House									17/02/2010			
Machine Planing Schedule of Rates 2003-2005									23/02/2010			
Dorothy Pattison - Multi Faith Centre									24/03/2010			
Systems Based:												
Maintenance SOR Contracts	contract	50	SO	CB								
Current Construction Contracts	contract		SO	CB		n/a	n/a	20.08.09	Jan-10	draft issued		
Building Schools for the Future						n/a	n/a	20.08.09	09.11.09	draft issued		
Advice	contract	35	SO	CB		n/a	n/a			draft issued		
COMPUTER AUDIT:												
Business Continuity	comp	13.5	CONS	-		all confirmed as implemented	3	26.01.10	Feb-10	Mar-10	Mar-10	
Project & Programme Management	comp	13.5	CONS			n/a	n/a	05.01.10	Feb-10	Mar-10	Mar-10	

TASK	AUDIT TYPE	No of Days	Auditor	Audit Manager	QTR	Follow Up Details	3* actions	TOR Issued Date	Start Date	Final Draft Date	Final Date	Rating
Information Security Management	comp	16	CONS			n/a	n/a	27.11.09			Mar-10	
Malicious Software Protection	comp	8	CONS			n/a	n/a	14.10.09		22.03.10		significant
Payroll (Trent) - inc HRD Portal	comp	16	CONS	-		all confirmed as implemented	3	23.10.09		15.03.10		full
Council Tax (SX3)	comp	19	CONS	-		follow up due November 09	0	28.10.09	Nov-09	23.03.10		full
SX3 Migration	comp		CONS	-				24.07.09		22.09.09	12.11.09	full
NNDR (SX3)	comp	16	CONS	-		as above	as above	3.11.09	Nov-09	23.03.10		full
Finance Direct	comp	8	CONS	-		n/a	n/a					

8.4.10

Appendix B

Audit opinions given to fundamental systems/processes in 2009/10

System/process	Opinion
Council tax / NNDR	Significant
Housing and council tax benefits	Significant
Income management	Significant
Nominal ledger / central accounting	Significant
Treasury management	Significant
Accounts payable (creditors)	Significant
Accounts receivable (debtors)	Significant
Payroll	Limited
Budgetary control	Significant
Capital accounting	Significant
Capital programme	Full
Bank account reconciliations (including benefits account reconciliation)	Significant
VAT	Significant
Capital receipts	Significant

Computer Audit

Internal audit has a partnership contract with HW Controls and Assurance for the provision of computer audit work and top up regularity work. The contract covers a 3 year period up to March 2011.

Eight specific ICT areas of activity were undertaken in accordance with the planned work programme for 2009/10 covering the following reviews:

- **Protection against Malicious Software** – this review sought to provide assurance on safeguards against software attacks on the council's computer network. Areas examined included risk assessment of malicious software exposure and controls to manage the risk of potential damage. A significant assurance opinion was given for this review.
- **Trent IT application and HRD Portal** – this review looked at key IT controls for these systems. The Trent application is used to process the council's payroll and is a key technology component used to drive business processes associated with the management of human resources. The HRD Portal is a web-based system that has been designed and implemented in-house by ICT Services to provide officers with the facility to view their personal employment data and to inform human resources of changes or corrections to this data. The Portal also provides managers with the facility to advise human resources of employee overtime, expenses and absence and to report these to heads of service. The overall objective of the review was to report an opinion on the adequacy of controls in place within these applications to store and process data associated with the management of human resources. This included input, processing and output of data, complete audit trails, data backup and security and controls to avoid

breaches of any statutory, regulatory or contractual obligations. A full assurance opinion was given for this review.

- **National Non-Domestic Rates (NNDR) IT Application** – this review looked at key IT controls for this system which is used by officers in the course of their work to record income and commitment relating to non-domestic property and land that is subject to the national non-domestic rate. The review covered input, processing and output of data, audit trails, data backup / security and controls to avoid breaches of any statutory, regulatory or contractual obligations. A full assurance opinion was given for this review.
- **Council Tax IT Application** – this review considered key IT controls for this system which is used by officers in the course of their work to record income and commitment related to domestic hereditament. The review covered input, processing and output of data, audit trails, data backup / security and controls to avoid breaches of any statutory, regulatory or contractual obligations. A full assurance opinion was given for this review.
- **SX3 Data Migration** – this was a high level review of the key controls in place to manage the risks associated with the migration of the Northgate Sx3 IT application data to a new server hardware platform. The Sx3 application is used to support key business processes associated with revenue collection (council tax and national non domestic rates) and benefit payments (housing benefits and council tax discounts). The audit sought assurance on project planning, test programmes and data reconciliations. Full assurance was given on this review.
- **Programme and Project Management** – this review sought to provide assurance on the delivery of the portfolio of projects and business change activities that facilitate the delivery of the council's corporate strategy. The overall objective of the review was to report an opinion on the controls in place to manage the risks associated with programme and project management. A number of projects were examined included Finance Direct. Key controls assessed included visibly defined programme aims and benefits, clear governance arrangements, adequate monitoring, sound project management, proper management of change and clear end goals and estimated completion dates. A significant assurance opinion was given for this review.
- **Business Continuity – IT Service Continuity Management** – IT service continuity management is concerned with being able to provide an agreed level of IT support following an interruption to service delivery. The overall objective of the review was to report on the protection of critical business processes from the effects of major failures of information systems or disasters and to ensure their timely resumption. Strategic and operational plans for ensuring continuity of the council's key business processes were examined together with the links between ICT continuity and business continuity across council services. A significant assurance opinion was given for this review.
- **Information Security Management** – this review sought to provide assurance on the security of information assets owned by the council and sought to ensure that a council-wide approach to information security management is in place and is operating effectively and that processes and procedures have been established to support policy governing this area of activity. A limited assurance

opinion was given for this review with particular attention required in updating and communicating required procedures.

A number of suggested actions were made in each of the areas examined to which internal audit has received managers' agreement to the action plan contents detailed within each of the final reports.

Schools audit visits (FMSiS reviews)

All schools are required to comply with the financial management standard in schools (FMSiS) by March 2010. All secondary schools were deemed compliant by March 2008, Primary, Special and Nursery Schools were split into 3 tranches to be assessed during 2007/08, 2008/09 and 2009/10.

Joint Financial Management Standard in Schools (FMSiS) assessment and Internal Audit review visits were carried out in 25 Primary, 8 Nursery and 2 Special schools during the year. In addition reassessments were undertaken at 15 secondary schools and a follow up visit was made to 1 primary school deemed not compliant in 2008/09.

Of the 51 schools assessed during 2009/10, 50 were deemed compliant with the Financial Management Standard and 1 requires a reassessment in 2010/11.

In the case of the school that is currently not meeting the FMSiS standard, the section 151 officer will be required to make a declaration in the section 52 outturn statement that appropriate steps are being taken to rectify this. Officers from Walsall Children's Services – Serco are working with the school to ensure that it will meet the standard over the ensuing twelve months.

Appendix C

Summary of limited / no assurance audit reports 2009/10

Service Area	Audit	Assurance	Progress
Leisure, Culture & Lifelong Learning	New Art Gallery	Limited	Draft
Adult Services	Home Care	Limited	Draft
	Independent Sector – Day Care, Residential & Residential Nursing	Limited	Draft
	Community Meals – Contract Monitoring	Limited	Draft
	Community Alarm Service	Limited	Draft
	Direct Payments, Personal and Individual Budgets	Limited	Draft
	Transport Services	Limited	Draft
Housing Services	Dolphin House	Limited	27 agreed actions
ALL	Inventories / Stocks – Links to Work	Limited	Draft
	Payroll	Limited	Draft
Schools	Frank F Harrison Community College	Non compliant	14 agreed actions
Contract	Edgar Stammers Children's Centre	Limited	Draft
	Birchills Children's Centre	Limited	Draft
	Frank F Harrison Stem Centre	Limited	Draft
	Castle Business & Enterprise College	Limited	Draft
	Bloxwich CE JMI	Limited	Draft
	Fibbersley JMI	Limited	Draft
	Aldridge Airport	Limited	Draft
	St James and Ogle Hay Children's Centre	Limited	Draft
	Beacon Children's Centre	Limited	Draft
	Examination of Control of the Schedule of Rates Contract for Repair Maintenance and Minor Works to Council Buildings 2008-2011	Limited	Draft
Computer	Information Security Management	Limited	Draft

New Art Gallery:

The New Art Gallery opened in February 2000 and has records which indicate a total of 1902 exhibits valued at £13.1 million of a variety of art collections on display,

including; the discovery gallery, Garman Ryan collection, Epstein, Picasso and Van Gough.

Good practice noted included:

- strong partnership and joint working links;
- sound programming and exhibition planning;
- responsiveness to customer comments;
- a good standard of promotional material made available to a diverse audience;
- national professional accreditation;
- detailed acquisitions and disposals policies;
- a track record of securing grant funding; and
- an innovative programme of educational activity.

Areas for improvement identified:

- a need to bring collections' records up to date and ensure they are subject to regular periodic checks;
- improved monitoring to ensure achievement of the forward plan and key performance indicators;
- the establishment of clear consultation procedures;
- adoption of a consistent approach for the reporting of events and exhibitions;
- ensuring that all policies and procedures are reviewed and authorised on a regular basis;
- the tightening of income controls, including the formulation of a pricing policy and regular reconciliations;
- improved contract management; and
- the need to store records so that they can be easily retrieved when needed.

Home Care:

The home care service provides personal care and domestic tasks to vulnerable adults in Walsall to help them to be as independent as possible. Care is provided 24 hours a day, 7 days a week and includes: personal care; shopping; laundry and ironing; and escorting.

Good practice noted included:

- flowcharts have been produced to map out the processes of brokering, monitoring and payment of care packages;
- the older people's service plan is monitored on a quarterly basis;
- the brokerage team record an appropriate Oracle code on all invoices submitted to consolidated creditors for payment; and
- the service accountant provides monthly budget monitoring information to the service manager and strategic commissioning manager

Most areas reviewed required significant improvement. Procedural documentation would benefit from review and update; controls regarding entitlement to homecare, the procurement section's monitoring of home care providers; the use of non contracted home care suppliers; and the effectiveness of controls over ordering and payments to home care providers, require strengthening.

Independent Sector – Day Care, Residential and Residential Nursing:

The independent sector provides day care, residential and residential nursing services to older people and vulnerable people with specific care needs including learning disabilities and mental health disabilities.

Good practice noted included:

- the service complies with the fairer charging policy which is updated on an annual basis and also the 'charging for residential accommodation guidelines' which is updated annually by the Department of Health;
- monthly budget meetings are held and are discussed at DMT and SMT, over and under spends are detailed and corrective action identified.
- the service plan is monitored on a quarterly basis; and
- annual benchmarking is completed and monitored by the performance team.

Most areas reviewed were found to require improvement. Controls regarding the monitoring and vetting of independent care providers; the management and administration of contracts and procurement; service user placements; payments to providers; client contributions and the recovery of arrears and overpayments all require strengthening.

Community Meals – Contract Monitoring:

A contractual agreement is in place with Sodexo Healthcare Services to provide hot and frozen meals to older and vulnerable residents within Walsall.

Some good practices were noted during the audit, including; the existence of a comprehensive 3 year agreement between the council and Sodexo, terminating on 31 December 2010; and regular operational meetings held between representatives of the council and Sodexo.

Most areas reviewed required improvement. For example, the need to:

- strengthen overall management arrangements for the management and administration of new referrals and variations to provision;
- implement a system for validating data provided by Sodexo;
- ensure that robust procedures are in place for contract monitoring, together with roles and accountabilities assigned;
- ensure that comprehensive procedures notes and a debt management policy are in place; and
- develop council systems to ensure that useful management information can be obtained.

Community Alarm Service:

The community alarm service provides home safety and personal security systems which enables the elderly and disabled to live independently. This is achieved through a 24-hour telephone link to the social care and inclusion response centre. There are approximately 8000 homes throughout the borough which the service supports.

Good practice noted included:

- the service being Telecare service accredited,

- the use of the PNC5 system to log telephone calls; and
- partnership working with NHS Walsall to jointly deliver a pilot scheme for Tele Health services.

Areas for improvement identified:

- that day to day operational procedures are comprehensively documented;
- that referrals for alarm installation are promptly and appropriately managed and recorded, including on PARIS;
- that a robust system for processing amendments or cessations to alarm provision is introduced;
- call management procedures are tightened;
- that urgent follow up action is taken where monthly test calls to ensure that alarms are still working are not responded to by service users;
- that equipment repair and maintenance procedures are managed;
- the inventory register is promptly updated;
- controls regarding income, specifically the private purchase of equipment are reviewed;
- procurement controls, including those regarding contracts, are tightened; and
- performance management issues are addressed.

Direct Payments, Personal and Individual Budgets:

Direct payments, personal budgets and individual budgets are at the core of the government's aim of personalising adult social care services around the needs of users. This audit reviewed the council's management and administration of direct payments and plans in place for the introduction of personal and individual budgets.

Good practice noted included:

- procedure notes are in place documenting operational processes for direct payments;
- direct payment agreements have been developed which contain specific guidance for service users outlining their responsibilities and obligations in receiving direct payments;
- the direct payments audit team monitor recipients' use and eligibility of their direct payments;
- the use of Shaw Trust to assist service user's who lack capacity to manage their funds; and
- the plans in place for the introduction of personal and individual budgets.

There were, however, areas for improvement, most notably, ensuring that adequate supporting documentation is made available to the auditor during the audit. Without this, audit assurance cannot be given in these areas. A business solution review of the systems for capturing and recording information regarding the award of direct payments should be undertaken and controls in most areas require strengthening.

Transport Services:

Transport services within social care & inclusion commission a range of transportation from fleet services to assist vulnerable service users in getting them to and from social care establishments. The review included transport services reconfiguration.

Good practice noted included:

- the introduction of the new electronic 'swipe card' facility which seeks to address weaknesses in the previously fallible charging mechanism;
- adult services within social care & inclusion are in the process of reviewing the way in which transportation services are delivered as part of their transport services reconfiguration exercise.
- social care & inclusion (the commissioner) has an embedded working relationship with fleet services (the provider); and
- social care & inclusion undertake a user survey every two years to elicit views and identify areas of potential improvement.

Areas for improvement identified:

- the need to strategically map social care & inclusion directorate's aims and objectives in respect of service user transportation;
- ensuring that the current split between the internal and external sourced transport services provided, are formally documented to increase the levels of transparency across transport services;
- ensuring a robust action plan is in place to implement the recommendations identified following recent reviews of the service, including the 4 c's review;
- undertaking urgent remedial action to recover progress on the adult services transportation reconfiguration exercise being undertaken and also ensuring that the project is properly risk assessed;
- ensuring that debts in relation to the council's previous charging policy which had to be suspended, are recovered or written off as appropriate and that a 'lessons learned' exercise be undertaken to ensure that similar issues do not occur in future; and
- implementing a consistent and robust management information framework to assist managers in both strategic and operational decision making.

Dolphin House:

Dolphin House is a statutory homelessness establishment which provides temporary accommodation to families and those assessed as having a priority need.

Good practice noted included:

- a business continuity plan is in place which is reviewed on an annual basis;
- a monthly statistical analysis of Dolphin House data is completed including voids, occupancy rates, income, referrals, planned and unplanned moves;
- support workers have regular support sessions with families to help them move on to permanent accommodation;
- the entitlement criteria for Dolphin House is clearly defined and included in the staff information & procedure manual; and
- an income maximisation policy is in place which is subject to review on a 2 yearly basis.

A number of areas for improvement have, however, been identified, including; ensuring that an options appraisal for income collection methods is undertaken to avoid officers handling cash; that service users' entitlement to housing benefit is properly documented and managed by the service; that controls regarding arrears

management are strengthened; and that utility costs are reviewed in the light of recent industry changes. The administration of leavers also requires review together with controls regarding the inventory, petty cash and budget management.

Inventories and Stocks – Links to Work:

Links to Work is a work preparation and supported employment service for people with disability or those disadvantaged by society. Links to Work maintains its own stocks and inventory records and most stock is third party owned, referred to as 'free issue'.

Good practice noted included:

- all inventory checked as part of the audit could be physically located ; and
- all available procurement documentation is retained and easily accessible by staff.

Areas for improvement identified:

- procedure notes are not in place relating to stock and inventory;
- there is no regular check of inventory items;
- weaknesses have been noted in the year end stock valuation.

Payroll:

This review represented the key financial systems audit of the council's payroll.

Some progress has been made in actioning previously agreed audit report actions and HRD have continued to develop and improve HRD direct, the corporate employee and manager portal. Systems for the verification of the establishment structure, including the availability of structure information via HRD Direct; segregation of duties via individual teams such as the transactional recruitment team and the transactional team; and the use of 'Intelligent', an electronic database for the management and recording of personal files remain good practice.

Significant areas for improvement have, however, been identified in ensuring controls and processes are fully effective, for example, in the processing of new starters, variations to pay and leavers. Controls regarding the management and rectification of overpayments; and employee expenses were noted as requiring significant strengthening this year. As a result of this, the audit opinion for payroll has moved from borderline significant to limited assurance.

Schools:

See summary of school FMSiS work at Appendix B. One secondary school, Frank F Harrison Community College, failed to achieve the standard during the year.

Contract Audit:

A total of 16 final accounts were examined during the year with 9 receiving a limited opinion. Reasons for the exceptions are detailed within the main body of the report.

A contract systems audit was also undertaken this year. The review, entitled the examination of control of the schedule of rates contract for repair maintenance and minor works to council Buildings 2008-2011 received a limited assurance opinion, detailed as below:

The contract was awarded to Mitie and commenced in 2008. Between June 2009 and January 2010, the council spent in excess of £680,000 with this company.

Good practice noted included:

- A contract has been sealed following cabinet approval.
- Appropriate officers hold copies of the contract and a copy is found in the council's strong room.
- Managers have provided service instructions to officers.
- Service instructions will be updated when necessary.
- Officers have undergone training prior to the contract commencing.
- Managers plan to review and repeat training.
- Urgent orders can be emailed or phoned to the contractor.
- Prices for schedule of rates items are shown in the national schedule of rates.
- Discounts used are those submitted in the contractor's tender.
- The contractor provides individual invoices for each job completed.
- Paid invoices identify officers who have processed and approved them.
- Managers make regular recharge to client services and establishments.
- Officers recharge using ORACLE software.
- The service manager receives monthly budget monitoring reports.
- Managers appear to be aware of the importance of providing value for money.

Areas for improvement identified:

- The system fails to utilise computer based systems.
- Officers received less than half a day's training, prior to the contract's commencement
- Officers create requisitions in manuscript.
- The council has not formally approved the list of sub-contractors.
- Officers do not have an electronic copy of the national schedule of rates.
- There is no formal strategy for identifying small works to be checked.
- Officers do not highlight each works item's satisfactory completion.
- Invoices are received at New Forest Road but paid and filed at the civic centre.
- Property Services' budgets suffer where clients do not agree recharges.
- Managers are currently unable to access their financial position from the council's ORACLE database.

Computer Audit:

Eight IT projects were completed by our private sector contractor with one, information security management, receiving a limited assurance opinion. This is detailed within the main body of the and also referred to within Appendix B.