

**Audit Committee – 18 November 2019**

**Internal Audit Progress Report 2019/20**

**Summary of the Report**

The purpose of this report is to update the Audit Committee on Internal Audit's progress on the 2019/20 audit plan (attached).

**Background Papers**

Internal Audit reports/monitoring information.

**Recommendations**

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

A handwritten signature in purple ink, appearing to read 'V Buckley' with a stylized flourish at the end.

**Vicky Buckley – Head of Finance**

**7 November 2019**

**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 progress against the approved Internal Audit Plan for 2019/20.

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 S151 Officer, Head of Finance and senior representatives at Mazars to monitor performance of the contract.

KPI performance as at 30<sup>th</sup> September 2019 (quarter 2) are detailed below.

Standard	Target	Actual at 30/09/19
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 – End of Year Measure
Produce annual report which includes an overall assurance opinion for the Council for the year.	To be produced and issued to the S151 Officer within 15 working days from 31 March each year.	N/A – End of Year Measure
Annual review and report on the effectiveness of the risk management strategy and its application with comments and recommendations for changes.	To be produced and issued to the S151 Officer in accordance with the Audit Committee Work Programme & Timetable.	N/A – End of Year Measure
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 S151 Officer in accordance with the Audit Committee Work Programme & Timetable.	N/A – End of Year Measure
Effective completion of audit work.	100% draft reports, which include relevant recommendations, are issued within 6 weeks of the commencement of work.	17/18 94% Exception: Apprenticeships
Achieve performance of quarterly audit work plan.	100% expected audits in the quarterly plan to be completed to draft report stage within 15 working days of last day of quarter.	17/21 81% Exceptions: New Art Gallery, National Funding Formula, HB & CTAX

		Benefits, Kings Hill Primary
Standard	Target	Actual at 30/09/19
Produce quarterly progress report in accordance with the specification.	To be produced and issued to the S151 Officer within 15 working days of the end of each quarter.	Met for all Quarter 1 and 2
Produce a quarterly risk management update report.	To be produced and issued to the S151 Officer within 15 working days of the end of each quarter.	Strategic Risk Register updates regularly presented to CMT and Audit Committee. Risk sessions across the Council ongoing.
Quarterly review of Strategic Risk Register (SRR) and report for Corporate Management Team and Audit Committee	To be produced and issued to the S151 Officer within 15 working days of the end of each quarter.	Strategic Risk Register updates presented to CMT and Audit Committee. Most recent update to Audit Committee 23rd September.

The following table sets out the Performance Standards against which the success of the contract is measured. Performance is strong in most areas.

Standard	Target	Actual at 31/03/19
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 date of each audit.	35/35 100%
Conduct exit meetings.	100% to be carried out with Secondary client or their representative within 5 days of the completion of all audit work at a pre arranged time, as specified in the audit brief.	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.	16/18 89%
Produce final report.	100% to be produced and issued with 5 working days of receipt of management response to draft report.	11/12 92%

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.	2018/19 data matches reviewed and investigated.
<b>Standard</b>	<b>Target</b>	<b>Actual at 31/03/19</b>
Counter fraud work	To maintain and update counter fraud policies, the counter fraud toolkit, training and other counter fraud work as agreed in advance with the Chief Finance Officer.	Ongoing as required.
Follow up on all high priority actions	Reports produced in accordance with timetables set out in the Specification.	Ongoing and progress reported to each Audit Committee.
Specialist IT / risk audits	Quarterly report detailing percentage of time of qualified or specialist staff utilised in delivery of the audit and risk work undertaken during the quarter	Completed as part of monitoring information
Respond to unsatisfactory client satisfaction questionnaires/CMT feedback	To be provided to the Chief Finance Officer within 10 working days	N/A
Attendance at planned meetings with both the Chief Finance Officer and external audit as detailed throughout this specification.	Meetings attended by Contract Manager	Ongoing - Quarterly meetings attended during 2018/19
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 - attended each meeting of the Committee during 2018/19
Provision of audit helpline	Summary of advice provided, to be submitted to chief Finance Officer prior to discussion at quarterly meetings.	Completed as part of monitoring information.
Provision confidential reporting hotline answer phone facility.	Summary of calls received and action taken to be submitted to chief Finance Officer prior to discussion at quarterly meetings.	None received.
Quality control system	Copy to be provided to Chief Finance Officer on an annual basis	Provided.
Compliance with the PSIAS via external accreditation	To provide evidence of the external accreditation	External Assessment completed in 2016 and results shared with Chief Finance Officer. Recommendations implemented.

Provide training for Council Officers, Project Managers and Members in the principles and practices of Risk Management	Provision of training as agreed by the Chief Finance Officer	Member training before Audit Committee - July, September.
Audit and Risk Training Programme	To provide a copy to the Chief Finance Officer on an annual basis	Recently updated as part of Strategy review in December 2018

### **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 2019/20 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 – 18<sup>th</sup> November 2019**

#### **Status of our reports**

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

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

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## Introduction

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

Appendix 1 outlines progress to date against the 2019/20 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 Strategic and Directorate Risk Registers and how the internal audit plan can provide this assurance.

## Progress to Date

Progress against the 2019/20 Internal Audit Plan is shown in Appendix 1.

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

- Apprenticeships
- Community Safety
- New Invention Infant School
- Kings Hill Primary School
- Radleys Primary School
- Manor Primary School
- St Giles Church of England Primary School
- Whitehall Junior Community School

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

- New Art Gallery (Evaluation assurance: **Limited**. Testing assurance **Substantial**)
- Troubled Families Grant (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Leamore Primary School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Walsall Wood Primary School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Sunshine Infant & Nursery School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)



- Little Bloxwich CE Primary School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- St Marys of the Mount Catholic Primary School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Meadow View Primary School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Barcroft Primary School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Elmore Green Primary School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)

## Progress to Date Follow-up of Recommendations

### 2016/17, 2017/18, 2018/19, 2019/20

The table below highlights the number of recommendations raised in the final audit reports for 2016/17, 2017/18, 2018/19 and 2019/20. It should be noted that progress in implementing recommendations raised is due for follow up as part of the 2019/20 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	%
2016/17	418	415	99%	415	99%
2017/18	375	357	95%	362	97%
2018/19	329	269	82%	281	85%
2019/20	83	69	83%	70	84%

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





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

Appendix 4 provides details of outstanding high priority actions and a summary of the status of all 2016/17, 2017/18, 2018/19 and 2019/20 recommendations where the proposed implementation date was at or before 31st August 2019.

## 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
<b>Good</b>		There is a sound system of internal control designed to achieve the system objectives.	The controls are being consistently applied.
<b>Substantial</b>		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.
<b>Limited</b>		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.
<b>Nil</b>		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
<b>Priority 1</b>	Recommendations which are fundamental to the system and upon which the organisation should take immediate action.
<b>Priority 2</b>	Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
<b>Priority 3</b>	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed.

## Priority 1 Recommendations

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

These are included in a separate agenda item.

## Appendix 1 – Status of Audit Work 2019/20

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
<b>Core Financial Systems</b>	Housing Benefit and Local Council Tax Support	<ul style="list-style-type: none"> <li>• Policies, Procedures &amp; Legislation</li> <li>• Administration &amp; Assessment of New Claims</li> <li>• Local Housing Allowance</li> <li>• Reviews</li> <li>• Backdated Benefits / Discretionary Payments</li> <li>• Payments &amp; Reconciliations</li> <li>• Cancellations, Overpayments &amp; Recovery Action</li> <li>• Fraud Management</li> <li>• Impact Planning for Universal Credits</li> </ul>	12	10	Q3	<b>Work in Progress</b>						
	Accounts Payable	<ul style="list-style-type: none"> <li>• Policies, Procedures &amp; Legislation</li> <li>• Creditor Transactions &amp; Records</li> <li>• Standing Data Amendments</li> <li>• Purchase Order Processing</li> <li>• Goods Receipting</li> <li>• Invoice Processing</li> <li>• Payments Processing</li> <li>• Procurement Cards</li> <li>• Management Reporting</li> </ul>	14	0.5	Q3	<b>ToR Issued</b>						
	Accounts Receivable	<ul style="list-style-type: none"> <li>• Policies, Procedures &amp; Legislation</li> <li>• Debtor Transactions &amp; Records</li> <li>• Standing Data Amendments</li> <li>• Raising Invoices/Bills</li> <li>• Collection</li> <li>• Refunds</li> <li>• Debt Recovery &amp; Enforcement</li> <li>• Management Reporting</li> </ul>	14	0.5	Q3	<b>ToR Issued</b>						
	Treasury Management	<ul style="list-style-type: none"> <li>• Regulatory, Organisational &amp; Management Requirement</li> </ul>	10	1	Q3	<b>Work in Progress</b>						

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
		<ul style="list-style-type: none"><li>• Treasury Transactions &amp; Records</li><li>• Cash Flow Forecasting</li><li>• Investments</li><li>• Borrowing</li><li>• Financial &amp; Performance Management Reporting</li><li>• Fraud Prevention</li></ul>										
Core Financial Systems Total			50	12								
Operational Risks	Resources and Transformation											
	Apprenticeships	<ul style="list-style-type: none"><li>• Policies, Procedures &amp; Legislation</li><li>• Appointment of Apprentices</li><li>• Maximisation of Take-Up</li><li>• Procurement of Training Providers</li><li>• Retention of Apprentices</li><li>• Apprenticeship Levy Funding</li></ul>	10	9	Q2	Draft Report Issued (Sept 2019)						
	Community Safety	<ul style="list-style-type: none"><li>• Policies, Procedures &amp; Legislation</li><li>• Community Safety Plan</li><li>• Governance</li><li>• Collaborative Working</li><li>• Funding / Budget Monitoring</li></ul>	7	5	Q2	Draft Report Issued (Oct 2019)						
	CRC Energy Efficiency Scheme	Annual audit and sign off	10	10	Q1	Final Report Issued (Aug 2019)	Substantial	Substantial	-	-	1	
	Homelessness	<ul style="list-style-type: none"><li>• Policies, Procedures &amp; Legislation</li><li>• Homelessness Strategy</li><li>• Identification of those at risk of Homelessness</li><li>• Prevention of Homelessness</li><li>• Relief of Homelessness</li><li>• Management Information</li></ul>	15	3	Q3	Work Ongoing						

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Economy & Environment												
	New Art Gallery	<ul style="list-style-type: none"><li>• Policies, Procedures &amp; Legislation</li><li>• Promotional Activities</li><li>• Budget Monitoring</li><li>• Income &amp; Grant Management</li><li>• Procurement</li><li>• Payroll</li><li>• Asset Management</li></ul>	10	10	Q2	Final Report issued (Sept 2019)	Limited	Substantial	2	3	1	
	Saddler's Centre Management	<ul style="list-style-type: none"><li>• Policies, Procedures &amp; Legislation</li><li>• Contract with the Enhanced Management Agent</li><li>• Marketing</li><li>• Fees and Charges</li><li>• Contract Monitoring</li><li>• Facilities Management</li><li>• Budget Monitoring</li></ul>	10	4	Q2	Work Ongoing						
	Growth Deal	Annual Audit	7	2	Q3	Work Ongoing						
Children's Services												
	Troubled Families Grant	<ul style="list-style-type: none"><li>• Covering adequacy and effectiveness of controls in place over eligibility, payments and achievement of progress measures.</li></ul>	7	7	Q2	Final Report Issued	Substantial	Substantial	-	1	2	
	Children's Social Care Caseloads	<ul style="list-style-type: none"><li>• Policies, Procedures &amp; Legislation</li><li>• Monitoring of Caseloads</li><li>• Allocation of Cases</li><li>• Recruitment &amp; Retention</li><li>• Management Information</li></ul>	12	6	Q2	Work Ongoing						
	National Funding Formula	<ul style="list-style-type: none"><li>• Policies, Procedures &amp; Legislation</li><li>• Allocation of Funding</li></ul>	10	8	Q2	Work Ongoing						

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
		<ul style="list-style-type: none"> <li>Transition to National Funding Formula</li> </ul>										
	Schools Capital Programme	<ul style="list-style-type: none"> <li>Policies, Procedures &amp; Legislation</li> <li>Assessment of Pupil Numbers</li> <li>Governance Arrangements</li> <li>Project Initiation</li> <li>Monitoring</li> <li>End of Project Evaluation</li> <li>Expenditure</li> <li>Grant Funding / Budget Monitoring</li> </ul>	10	5	Q3	Work Ongoing						
	Federation School's Governance	<ul style="list-style-type: none"> <li>Policies, Procedures &amp; Legislation</li> <li>Federation Governance Arrangements</li> <li>Governing Bodies</li> <li>Finance</li> <li>Recruitment of Staff</li> </ul>	10	0.5	Q3	ToR Issued						
	Adult Social Care											
	Adult's Social Care Caseload	<ul style="list-style-type: none"> <li>Policies, Procedures &amp; Legislation</li> <li>Monitoring of Caseloads</li> <li>Allocation of Cases</li> <li>Recruitment &amp; Retention</li> <li>Management of Information</li> </ul>	15	0.5	Q3	ToR Issued						
<b>Operational Risks Total</b>			<b>133</b>	<b>70</b>								
<b>Strategic Risks</b>	Walsall Proud Programme	Covering adequacy and effectiveness of controls in place over transformation projects	40		Q1-Q4							
	Supplier Resilience	<ul style="list-style-type: none"> <li>Policies, Procedures &amp; Legislation</li> <li>Supplier Set Up, Approval &amp; Due Diligence</li> <li>Supplier Resilience</li> <li>Contract Monitoring and Compliance</li> </ul>	15	6	Q2	Work Ongoing						



	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
		<ul style="list-style-type: none"> <li>Contract Exit Arrangements</li> <li>Management Information</li> </ul>										
	Governance Role of Overview & Scrutiny Committees	<ul style="list-style-type: none"> <li>Policies, Procedures &amp; Legislation</li> <li>Culture</li> <li>Resourcing</li> <li>Selecting Committee Members</li> <li>Power to Access Information</li> <li>Planning Work</li> </ul>	10	0.5	Q3	ToR Issued						
	VAT – Making Tax Digital	Accounting Software System and Process Review	15	15	Q2	Review Undertaken						
<b>Strategic Risks Total</b>			<b>80</b>	<b>22</b>								
<b>Governance, Fraud &amp; other Assurance Methods</b>	Counter Fraud	Internal Audit will work with the Council in the development of fraud risk, the provision of fraud awareness training, pro-active fraud exercises and reactive investigations.	30	10	Q1-Q4							National Fraud Initiative data matching exercise.  Attendance at the Midland Fraud Group.  Policies Review / E-learning / Fraud Risk Register
	Governance and Risk Management	The use of CRSA to provide assurance that managers understand their requirements and take ownership of their responsibilities. Risk Management Workshops for staff and Members. Review of individual risks registers as agreed with management.	40	15	Q1-Q4							
	Assurance Mapping	Mapping assurances against risks across the Council and identifying assurance gaps.	20		Q1-Q4							
<b>Governance, Fraud &amp; other Assurance Methods</b>			<b>90</b>	<b>25</b>								

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Other	Follow-up of Recommendations	Follow-up of all priority 1 and 2 recommendations made in final reports issued.	30	12	Q1-Q4							See detail on page 17
	Management and Planning	Including attendance at Audit Committee	70	20	Q1-Q4							
Other total			100	32								
Schools	To provide the Chief Finance Officer with adequate assurance over standards of financial management and the regularity and probity of spend		120	93.5	Q1-Q3							
Schools Total			120	93.5								
Plan Total			573	254.5								

## School Audits

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Schools	Alumwell Infant School		5	5	Q1	Final Report Issued (Jun 2019)	Substantial	Substantial	-	3	6	
	Blakenall Heath Junior School		5	5	Q1	Final Report Issued (Jun 2019)	Substantial	Substantial	-	5	6	
	Moorcroft Wood Primary School		5	5	Q1	Final Report Issued (Jun 2019)	Substantial	Substantial	-	4	3	
	Christ Church CE Primary School		5	5	Q1	Final Report Issued (Jun 2019)	Substantial	Substantial	-	5	5	
	Sunshine Infant School		5	5	Q1	Final Report Issued (Jul 2019)	Substantial	Substantial	-	2	5	
	Little Bloxwich CE Primary School		5	5	Q1	Final Report Issued (Jul 2019)	Substantial	Substantial	-	4	4	
	St Thomas of Canterbury Catholic Primary School		5	4	Q3	Draft Report Issued (Nov 2019)						
	Walsall Wood Primary School		5	5	Q1	Final Report Issued (Sept 2019)	Substantial	Substantial	-	3	5	
	St Mary's the Mount Catholic Primary School		5	5	Q1	Final Report Issued (Jul 2019)	Substantial	Substantial	-	4	6	
	Leamore Primary		5	5	Q2	Final Report Issued (Oct 2019)	Substantial	Substantial	-	3	2	
	Elmore Green		5	5	Q2	Final Report Issued (Nov 2019)	Substantial	Substantial	-	3	6	
	Meadow View Primary		5	5	Q2	Final Report Issued (Nov 2019)	Substantial	Substantial	-	5	4	
	Barcroft Primary		5	5	Q2	Final Report Issued (Nov 2019)	Substantial	Substantial	-	2	4	
	Kings Hill Primary		5	4	Q2	Draft Report Issued (Oct 2019)						
	New Invention Infants		5	4	Q2	Draft Report Issued (Oct 2019)						

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
	Radleys Primary		5	4	Q3	Draft Report Issued (Nov 2019)						
	Manor Primary		5	4	Q3	Draft Report Issued (Nov 2019)						
	St Giles Primary		5	4	Q3	Draft Report Issued (Nov 2019)						
	Holy Trinity Primary		5	0.25	Q3	TOR Issued						
	Whitehall Junior		5	4	Q3	Draft Report Issued (Nov 2019)						
	St Patricks Primary		5	0.25	Q3	TOR Issued						
	Admin Time inc SFVS		15	5								
<b>Schools total</b>			<b>120</b>	<b>93.5</b>			TOR Issued					

## Appendix 2 – Summary of Final Reports

Audit	Opinion		Main Findings
	Evaluation	Testing	
New Art Gallery	Limited	Substantial	<ul style="list-style-type: none"> <li>There is not a pricing policy for school trips / workshops.</li> <li>In three cases, orders had been raised after the invoice had been received.</li> <li>Authority to make payments for hospitality by purchase card was out of date.</li> </ul>
Troubled Families Grant	Substantial	Substantial	<ul style="list-style-type: none"> <li>It was identified that a claim had been claimed for during January 2019 and under further investigation that fourteen continuous employment families from the January 2019 claim had not been marked as discharged on the system and therefore one had been included during this cohort.</li> <li>A further two of the replacement six claims were ineligible and manual checks had not taken place to ensure they were excluded from the claim cohort.</li> </ul>
Leamore Primary School	Substantial	Substantial	<ul style="list-style-type: none"> <li>DBS certificate of one governor had recently expired and a renewal had been applied for.</li> <li>The monthly budget monitoring for March 2019 did not include a review of the payroll report.</li> <li>Approval had not been obtained for a purchase in excess of the Head Teacher's delegated limit.</li> <li>In one case, an invoice had been authorised by an officer but the value was in excess of her authorised limit.</li> </ul>
Walsall Wood Primary School	Substantial	Substantial	<ul style="list-style-type: none"> <li>DBS certificate of one governor had not been renewed in accordance with required timescales.</li> <li>Orders and invoices are signed by the same officer.</li> <li>In one case, an invoice had not been authorised for payment.</li> <li>The Head Teacher had not declared an interest for a supplier and had authorised the invoices for payment.</li> <li>There is currently an ongoing query as to whether the school has a £150 petty cash imprest.</li> </ul>
Sunshine Infant & Nursery School	Substantial	Substantial	<ul style="list-style-type: none"> <li>Income is banked at the end of each term, this has resulted in cash held exceeding the safe insurance limit of £3,000.</li> <li>Monthly school fund bank reconciliations are not checked by the Head Teacher.</li> </ul>
Little Bloxwich CoE Primary School	Substantial	Substantial	<ul style="list-style-type: none"> <li>DBS certificates of three governors had not been renewed in accordance with required timescales.</li> <li>In one case, an invoice had not been authorised for payment.</li> <li>A check is not made to ensure that the correct amount of income has been banked.</li> <li>One timesheet examined had not been approved by an appropriately authorised member of staff.</li> <li>The inventory is not up to date.</li> <li>A memory stick held at the School is not encrypted.</li> </ul>
St Marys of the Mount Catholic Primary Schools	Substantial	Substantial	<ul style="list-style-type: none"> <li>Invoices are input and validated on Oracle by the same officer.</li> <li>There are no set fees for the hire of the hall.</li> </ul>

Audit	Opinion		Main Findings
	Evaluation	Testing	
			<ul style="list-style-type: none"> <li>• Evidence to support payments from the extended activities bank account is not always held on file.</li> <li>• The Office Manager submits the monthly overtime spreadsheet to payroll services, which occasionally includes her own claim.</li> </ul>
Meadow View Primary School	<b>Substantial</b>	<b>Substantial</b>	<ul style="list-style-type: none"> <li>• Governors had not been informed of the reasons for not complying with contract rules and approval had not been obtained for a purchase in excess of the Head Teacher's delegated limit.</li> <li>• The budget carry forward from 2018/19 was 9.5%. Approval had not been sought for properly assigned sums.</li> <li>• Young Explorer's income is not checked by a second officer.</li> <li>• Monthly bank reconciliations are not undertaken for the Young Explorers bank account and in addition the accounts have not been audited.</li> </ul>
Barcroft Primary School	<b>Substantial</b>	<b>Substantial</b>	<ul style="list-style-type: none"> <li>• Orders and invoices are authorised by the same officer.</li> <li>• A check is not made to ensure that the correct amount of income has been banked.</li> </ul>

## 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 2016/17, 2017/18, 2018/19 and 2019/20

Follow-up audits have been undertaken in accordance with the 2019/20 audit plan. The objective was to confirm the extent to which the recommendations made in 2016/17, 2017/18, 2018/19 and 2019/20 internal audit final reports have been implemented.

### Summary of Recommendations Raised and Follow Up Status - 2016/17

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				
Facilities Management January 2017	Limited / Limited	15	12					3		-	June 2017	Oct 2019	
		15	12					3			-	-	

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

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
RIPA April 2018	Substantial / Substantial	10	3							-	Sep 2018	Mar 2020	7
Adult Social Care Market Management April 2018	Limited / Substantial	7	3		3		1			-	Dec 2018	Mar 2020	
Domiciliary Care June 2018	Limited / Limited	13	11					1		1	Apr 2019	Mar 2020	
Controlling Migration Fund August 2018	Substantial / Substantial	7	7								Aug 2018	Dec 2018	
Delays in Transfer of Care October 2018	Substantial / Substantial	9	7		1			1			Jan 2019	Dec 2019	
Streamlining of Services (Re-design of LibraryService) March 2018	Substantial / Substantial	4	-		1						Oct 2019		3
		50	31	-	5	-	1	2	-	1	-	-	10



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

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
School Governance August 2018	Limited / Substantial	7	6		1						Dec 2018	Dec 2019	-
Crisis Support Scheme October 2018	Substantial / Limited	5	3					2			Dec 2018	Oct 2019	
Licensing November 2018	Limited / Limited	11	5	1			1				Mar 2020	-	4
Millfield Primary School October 2018	Limited / Limited	17	16		1						Nov 2018	Oct 2019	
New Leaf Inclusion Centre February 2019	Limited / Limited	18	14		2			2			Dec 2019	-	
Planning February 2019	Substantial / Substantial	9	6								Sep 2019	-	3
Follow Up of ICO Recommendations relating to Subject Access Requests March 2019	n/a	4	3		1						Jul 2019	Dec 2019	

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				
The Jane Lane School March 2019	n/a	21	20	1							Jul 2019	Nov 2019	
Corporate Review of Agency Staff April 2019	Substantial / Substantial	3	2		1						Jun 2019		
Residential & Nursing Care April 2019	Limited / Limited	13	3		1						Mar 2020		9
Communication & Staff Engagement June 2019	Substantial / Substantial	3	1								Dec 2019		2
Performance Management Framework June 2019	Substantial / Limited	5	1					4			Jul 2019		
Procurement June 2019	Substantial / Limited	11	1	2							Apr 2020		8
Transition to Education, Health & Care Plans July 2019	Substantial / Substantial	5	2								Jan 2020		3
Workforce Plans June 2019	Substantial / Substantial	4	2								Dec 2019		2

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
Commissioning of Placements (LAC and SEND)	Limited / Substantial	9	1								Oct 2019		8
		145	86	4	7		1	8					39

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

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
Blakenall Heath Junior School June 2019	Substantial / Substantial	11	11								Aug 2019		
Moorcroft Wood Primary School June 2019	Substantial / Substantial	7	5								Dec 2019		2
Christ Church CE Primary School June 2019	Substantial / Substantial	10	9								Sep 2019		1
Sunshine Infant & Nursery School July 2019	Substantial / Substantial	7	5					2			Jul 2019		
Little Bloxwich CE Primary School July 2019	Substantial / Substantial	8	4								Sep 2019		4
St Mary's the Mount Catholic Primary School July 2019	Substantial / Substantial	10	6		1						Sep 2019		3
Troubled Families Grant	Substantial / Substantial	3	2								Mar 2020		1

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
October 2019													
New Art Gallery	Limited / Substantial	6	1								Mar 2020		5
September 2019													
Walsall Wood Primary School	Substantial / Substantial	8									Nov 2019		3
September 2019													
Meadow View Primary School	Substantial / Substantial	9	7								Mar 2020		2
October 2019													
		62	48		1			2					11

## 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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