



# Walsall Council – Integrated Assurance Mapping

Advisory Report – Final

January 2025

Overall Assurance Rating

N/A – Advisory Review

**forv/s**  
**mazars**

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| Milestone  | Date             |
|--|------------------|
| Engagement scope approval                        | 8 August 2024    |
| Fieldwork Starts                                 | 22 August 2024   |
| Interviews held with Stakeholder                 | 2 September 2024 |
| Draft report and integrated assurance map issued | 25 October 2024  |
| Management responses received                    | 18 December 2024 |
| Final report issued                              | 22 January 2025  |

### Status of our reports

*This report (“Report”) was prepared by Forvis 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.*

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*Please refer to the Statement of Responsibility in Appendix 4 of this report for further information about responsibilities, limitations and confidentiality.*

# 1. Executive Summary

## Background

The 2024 Internal Audit plan includes time allocated to Risk Management, of which a portion was used to perform an independent review of the Walsall Council ("Walsall") Integrated Assurance map. This detailed review involved documenting and aligning Walsall's assurance processes and control systems to its key risks and Council objectives. The purpose of the review is to optimise assurance activity, taking into consideration the organisation's risk appetite and governance structures.

It is strong governance practise for the Corporate Management Team (CMT) to satisfy themselves that risks which are principal to the Council are managed, and that effective internal control is established and maintained to mitigate these. Ensuring the Integrated Assurance map is regularly reviewed, at least on an annual basis by the CMT, itself, as well as the Audit Committee, will provide the CMT with added oversight ensuring that its responsibilities of evaluating the internal control framework and risk coverage are appropriately discharged.

The map will serve as:

- A clear representation of the current state of integrated assurance and internal control at a given time, for reporting to senior leaders.
- Support for decisions on the level of risk oversight and the level and nature of assurance activity (including internal audit) that is appropriate for Walsall.
- Tools to help the organisation to coordinate its assurance effort to maximise its value.

The objective of the review was to assess and map the current position of Walsall's co-ordination of the appropriate level of assurance for controls over the Strategic Risk areas, as approved by the CMT. An integrated assurance map provides clarity over how risks are being managed and help define the role of Internal Audit relative to other management assurance functions. As the organisation experiences relevant change, the integrated assurance map should be reviewed and updated to provide that up-to-date snapshot view of assurance coverage across the Council.

Numerous benefits can be achieved once the integrated assurance maps are implemented in a balanced manner, which may include:

- Maximising risk and governance oversight and control efficiencies
- Optimising overall assurance to the audit and risk committee
- Better collaboration between audit and other assurance providers
- Identifying areas of potential assurance gaps and facilitates the implementation and management of improvement plans for the gaps identified.

## Audit Scope and Approach

The scope covered the following teams / functions / stakeholder groups across the organisation:

- Strategies, Policies & Procedures
- Executive Director Management Team
- Directors Group
- Corporate Management Team
- Finance Support
- Transformation & Digital
- Human Resources
- Legal Services
- Statutory Offices Group
- Performance Management
- Health & Safety
- Project Management Office (PMO)

- Data Protection / GDPR
- Resilience Unit (Emergency Planning)
- Quality / Compliance Audits
- Internal Audit
- External Audit
- Audit Committee
- Other Regulatory Assurance Providers
- Peer Reviews

Our audit approach included the following:

#### **Collate information.**

- Collated relevant information and documentation from management.

#### **Integrated Assurance mapping**

- Obtained an understanding of the current Integrated Assurance structure and coverage through inspection of documentation received.
- Consulted with the Internal Audit, Assurance Manager and Risk Champions to populate the first version of the map, then validated the results of the mapping process with key stakeholders through interviews.
- Linked and documented the top risks and active risks to the relevant processes.
- Determined organisational, management & governance structures in place to determine ownership (lines of defence).
- Determined the current level of assurance received in relation to the identified processes.

#### **Analysis of integrated assurance map at Walsall**

The mapping of integrated assurance at Walsall included and confirmed the following:

- Assessed & aligned assurance providers with risk areas.
- Performed detailed review to assess current assurance provided and determine gaps, inefficiencies and duplication.
- Assess and recommend on which of the gaps, and duplications require remediation, and which teams at Walsall Council would be most appropriate to address them. Recommendations will be based on our view of what is appropriate for an organisation of the size and nature of Walsall Council, and on Walsall Council's (assumed or explicit) appetite for oversight and assurance.

*Refer to Appendix 2 for a more detailed scope.*

## **Conclusion**

### **General**

Overall, there is an adequate level of assurance coverage across Walsall Council. Whilst there is adequate assurance coverage over certain principal risk areas in the Council, we identified a number of gaps across key functions, which are outlined further below and 2. *Key Observations* within this report.

Several changes were made to the *Strategic Risk Register* post the finalisation and approval of the 2024 Internal Audit Plan. Whilst Internal Audit has been assessed as providing adequate coverage over the new and re-worded risks, as included in the latest version of the Strategic Risk Register (dated September 2024), these risks will be directly considered as part of the 2025 Internal Audit Planning process. This fact has been re-emphasized within the *Key Observations* of this report. These risks include:

- #2 - Transformation and Continuous Improvement (*re-worded risk*)
- #14 - Inability to improve health outcomes in Walsall (*new risk*)

➤ #15 – Workforce (*new risk*)

Walsall Council allocates resources to risk management through various senior stakeholder forums, such as regular Directorate and Corporate Management Team meetings. Additionally, wider operational teams are involved in managing functional or directorate risk registers, which feed into the Strategic Risk Register. However, a desktop review of key documents and key stakeholder interviews revealed some broader themes.

Since the inception of the Strategic Risk Register, much work has gone into enhancing its clarity, usability, and ongoing management. However, it is still seen as a standalone document rather than fully integrated into the organisation's strategic decision-making and planning activities. This is common for organisations with a similar risk management maturity level as Walsall Council. Management could implement several improvements to better embed the risk management function into decision-making, making the Strategic Risk Register a live document and key reference point for meaningful discussions.

The Strategic Risk Register captures 'Future Actions Planning / Mitigations,' serving as key discussion points in committee meetings and providing the Audit Committee with assurances on the organisation's work in specific strategic risk areas. Ensuring these mitigations lead to meaningful action requires accountability. While it may not always be possible to assign a single action owner or deadline, numerous 'Future Actions Planning / Mitigations' should be tracked to ensure progress.

To further enhance Walsall Council's risk management, a more proactive approach to macroeconomic factors like global economic conditions, inflation, government funding changes, and population demographics should be considered. While these factors are often seen as beyond control, the council can prepare for their potential impacts by incorporating activities such as horizon-scanning, stress-testing strategies, and implementing scenario-based crisis management plans which can help achieve short-, medium-, and long-term strategic objectives.

### ***Specific Gaps Identified***

Through our interviews and workshops held across the Council and across all teams, management shared any gaps that they were already aware of, and we observed areas for improvement and agreed individual actions with the relevant stakeholders. The key observations include:

- **Transformation and Continuous Improvement** – All organisations encounter change at different speeds and whilst this strategic area has been the subject of numerous reviews in the post-covid period, it was noted that fewer internal audit reviews have been included in the current Internal Audit Plan due to the focus on change across the organisation moving from Proud Continuous Improvement to Transformation Continuous Improvement. This should be continuously monitored and appropriately considered in upcoming years' internal audit plans.
- **Financial Resilience** – 'increased oversight from CMT on delivery of savings' has been noted during the review of the *Strategic Risk Register* as well as being highlighted during the stakeholder interviews. This is of particular importance given the prominent risk scoring of this strategic area, the lack of clear deadline dates being indicated with respect to the 'Further Actions' per the *Strategic Risk Register* as well as the challenging economic environment that Walsall Council operates in.
- **Climate Change**– Climate change is often seen as a lower priority due to its perceived need for less immediate action, despite its prominence on risk registers. Consequently, the Assurance function and Audit Committee provide partial assurance coverage and challenge, with no additional oversight from third-party assurance providers.
- **Inability to improve health outcomes in Walsall** – This newly documented risk for 2024 is the joint highest rated on the register and should be an area of focus from an assurance perspective. The *Strategic Risk Register* review highlighted that many 'Further Actions / Planned Mitigations' appear not be linked to active projects, indicating potential issues in relation resource allocation and/or budget pressures.

- **Workforce** – This newly documented risk for 2024 is the joint highest rated on the register and should be an area of focus from an assurance perspective. An inconsistent approach to directorate workforce strategies was noted as an 'Existing Control' which requires management action as part of a more coherent approach to reduce the risk to target score in this strategic area.

### ***Areas of Good Practice***

- There are **clear escalation processes** in place within the directorates between the operational and directorate risk registers before, ultimately, filtering into the Strategic Risk Register. This provides assurance to each Risk Champion that the risks and related detail that appears in the Strategic Risk Register is accurate and reflective of the respective directorate's risk landscape and related actions taken.

This is facilitated through **input from relevant stakeholders** across the Council as part of regular operational and directorate meetings, and ultimately the updating and reviewing of the Strategic Risk Register by Risk Champions ahead of Corporate Management Team and Audit Committee meetings.

- Through stakeholder interviews and understanding how the format of the audit committees has changed over the years, it was noted that the **audit committee is viewed as a strong enabler of the organisation** through its position to enhance financial oversight, improve risk management, and strengthen corporate governance, leading to increased stakeholder confidence.

## 2. Key Observations

The table below details the observations where partial risk coverage has been identified in specific areas of the Council as part of integrated assurance mapping process.

| Strategic Risk  | Observations   | Action Plan  | Risk and assurance coverage              | Management Comments   |
|---|--|--|--|---|
| <p><b>Transformation and Continuous Improvement</b> does not achieve the outcomes and benefits required to ensure that available resources are directed to deliver the greatest outcomes for the community.</p> | <p>This is a newly re-worded risk for 2024. Whilst adequate coverage has been assessed as provided by the Internal Audit function, fewer related reviews have been included in the 2024/25 Internal Audit plan. This is due to the focus on change across the organisation moving from Proud Continuous Improvement to Transformation Continuous Improvement. As part of the risk-based approach used in planning, Internal Audit cannot review every area in the same level of detail each year.</p> <p>As indicated in the <i>Executive Summary</i>, Internal Audit will directly consider this re-worded risk as part of the 2025/26 Internal Audit Plan, and equally, should be an area the CMT prioritises, from an assurance perspective, as organisations encounter change on an ongoing basis.</p> | <ol style="list-style-type: none"> <li>1. Ensure that operational change and transformation, both operational and digital, is appropriately considered as part of the wider assurance planning activities for 2025 and beyond.</li> </ol> <p>This can be achieved through any, or all, of the following actions:</p> <ol style="list-style-type: none"> <li>i. Consider focused programme assurance and/or change management reviews over specific projects implemented. This may include changes to digital systems or infrastructure or alternatively, the roll-out a new major initiative. This could be done post-implementation over the entire lifecycle of the program, or otherwise over specific phases of the program.</li> <li>ii. Review of existing Programme &amp; Project Management methodology against actual practice and</li> </ol> | <p><b>Partial assurance coverage</b></p> | <p><b>Management Response:</b></p> <p>Whilst it is recognised that Internal Audit may include an audit of this area in the work plan for 2025-26, the current review of this risk will include consideration of the suggested actions and further actions will be refined as necessary to ensure assurance that continuous improvement activity is achieved</p> <p><b>Owner:</b></p> <p>Carol Williams, Director – Transformation and Digital</p> <p><b>Due Date:</b></p> <p>Feb 2025 for review of risk and draft of Internal Audit work plan for Audit Committee.</p> |

| Strategic Risk  | Observations   | Action Plan   | Risk and assurance coverage              | Management Comments  |
|---|--|---|--|--|
|   |  | <p>industry standards. A review of this nature may include an assessment of relevant governance structures, procedures, policies and methodologies used, approach and planning, progress reporting, quality assurance as well as handover to Business as Usual (BAU) and formal program closure.</p> <p>2. Assessing programme significance across the Council (strategic importance of ongoing projects, consideration of financial investment and potential impact of future projects and complexity and duration of major programs) and conclude that sufficient assurance is obtained across the organisation with respect to the <i>Transformation and Continuous Improvement</i> strategic risk area.</p> |  |  |
| <p><b>Financial Resilience</b> of the council is impacted by the failure to achieve the savings required or manage demand pressures to enable a balanced budget and Medium-</p> | <p>Upon review of the <i>Strategic Risk Register</i>, it was noted that a <i>Further Action</i>, 'Increased oversight of CMT on delivery of savings' was listed with a <i>Deadline</i> of 'Ongoing'.</p> | <p>1. Management should consider hosting a 'deep-dive session' at the senior stakeholder level to assess if the current CMT oversight matches the risk exposure and plan future mitigation activities to</p>  | <p><b>Partial Assurance Coverage</b></p> | <p><b>Management Response:</b><br/>As part of this year's budget setting process, in-depth sessions to Executive Leadership Team (ELT), CMT and Cabinet regarding the current and previous year pressures, savings</p> |

| Strategic Risk                              | Observations  | Action Plan   | Risk and assurance coverage | Management Comments   |
|---|---|---|-----------------------------|---|
| <p>Term Financial Plan to be delivered.</p> | <p>This action was again referenced through selected stakeholder interviews. Given the importance to its financial resiliency of the Council achieving savings in the current economic environment, there should be a greater level of oversight from the Corporate Management Team.</p> <p>Whilst much positive action has clearly been taken in this area across the organisation, specifically with respect to the increased frequency of financial reporting to CMT from quarterly to monthly, management action is required to address this observation.</p> | <p>ensure adequate assurance coverage.</p> <p>Future mitigation activities may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>i. Review the Key Performance Indicators included within the current reporting framework to confirm that there are sufficient and relevant KPIs specific to saving initiatives and financial efficiency which are regularly reviewed by CMT.</li> <li>ii. Ensuring there is clear responsibility assigned to action owners with related deadlines in any formalized action plan created.</li> <li>iii. Regular benchmarking exercises whereby financial performance and savings can be compared with similar local councils, using publicly available information, to provide further context and identify areas for improvement.</li> </ul> |                             | <p>and the demand led services and the impact on outturn have been undertaken. This has improved both the understanding and the accountability throughout the council when setting the savings plans to be delivered for next year's budget as well as the actions the council needs to take in reducing the in-year overspend. Activity has included a number of benchmarking comparisons across demand led services, reserve levels and charging policies when comparing how we fair and further actions to take. Workshops were also delivered in respect of the capital programme, capital pipeline, Treasury, cashflow / borrowing and MRP and interest impacts with ELT, CMT and Cabinet members to increase their whole understanding of the budget. This has enabled the budget setting process to have clear ownership by officers and members alike and this will follow through to the delivery of the required savings in 2025/26 as well as further actions needed for 2026/27 onwards where some potential savings have already been put forward but there is further work to do to get them approved for delivery in future years and again, this has been</p> |

| Strategic Risk   | Observations  | Action Plan  | Risk and assurance coverage              | Management Comments   |
|--|---|--|--|---|
|  |   |  |  | <p>agreed by ELT and Cabinet. Further work will be conducted to improve the process with lessons learned both within and from other councils and peer reviews that senior officers support.</p> <p>As part of current review of SRR, actions for this risk will be updated and reported to CMT in Jan 2025 and AC in Feb 2025</p> <p><b>Owner:</b><br/>Shaun Darcy, Director – Finance and Assurance (S151 Officer)</p> <p><b>Due Date:</b><br/>February 2025</p> |
| <p><b>Climate Change</b></p> <p>Failure to achieve climate change objectives</p> | <p>Recent publications relevant to the public sector, such as <i>Emissions measurement and reporting approaches for the public sector (Department of Energy Security and Net Zero, 2024)</i> as well as <i>Climate change reporting guidance for local authorities (Local Government Association, 2024)</i> provide useful guidance to organisations on scale of reporting, what to report and how to set up an action plan for future reporting.</p> <p>Whilst is acknowledged that Walsall Council has made positive strides in this area through the development of the Net Zero Strategy, Five-Year Action plan and</p> | <p>1. Consider incorporating Climate Change into the wider Assurance planning for 2025 and beyond.</p> <p>This can be achieved through any, or all, of the following actions:</p> <ul style="list-style-type: none"> <li>i. Specialist advisory review of ESG / Environmentally focused strategies or action plans</li> <li>ii. Incorporate as a scope area of a planned review with respect to particular a programme / project – for example, to provide assurance that major</li> </ul> | <p><b>Partial Assurance Coverage</b></p> | <p><b>Management Response:</b></p> <p>Whilst it is recognised that Internal Audit may include an audit of this area in the work plan for 2025-26, the current review of this risk will include consideration of the suggested actions and further actions will be refined as necessary</p> <p><b>Owner:</b><br/>Katie Moreton, Director – Place and Environment</p> <p><b>Due Date:</b><br/>February 2025</p>   |

| Strategic Risk   | Observations  | Action Plan   | Risk and assurance coverage              | Management Comments  |
|--|---|---|--|--|
|  | <p>Climate Literacy training rolled out (which largely stemmed off the work performed by Internal Audit during the 2022/23 Climate Emergency Action Plan review), this should be a continued area of focus, from an assurance perspective, for management to ensure appropriate progress continues to be made on the achievement of Walsall's wider Climate strategy.</p> | <p>programmes /projects are contributing to the organisation's Net Zero Strategy.</p> <p>2. Ensure that programme plans are designed over key long-term initiatives (this may include the roll-out of Walsall Borough Local Plan) and are reported against during key stakeholder forums (this may include CMT and Audit Committee meetings). This will provide a structured approach to identifying, assessing and mitigating potential issues over an extended timeframe and allow Walsall to align assurance activities with strategic objectives ensuring more comprehensive coverage enabling early detection of emerging risks that could impact long-term goals.</p> |  |  |
| <p><b>Inability to improve health outcomes in Walsall (New Risk)</b></p> | <p>This is newly documented risk in 2024. This is, together with <i>Workforce</i>, the highest rated risk with a current score 20, considering impact and likelihood. This is largely down to the difficulties faced of improving health outcomes in a post-covid environment, budget restraints (at national and regional levels), negative lifestyle trends,</p>        | <p>1. Management should consider hosting a 'deep-dive session' around this strategic risk area at the DMT/CMT or another senior stakeholder forum level to formalise existing and plan future mitigation activities.</p>  | <p><b>Partial assurance coverage</b></p> | <p><b>Management Response:</b></p> <p>The December 2024 review of the strategic risk register will include amendments to the existing and further mitigations to include reference to services leading on specific actions and focus on actual projects in-flight which will enable a more specific deadline to be included.</p> |

| Strategic Risk                     | Observations   | Action Plan  | Risk and assurance coverage         | Management Comments  |
|------------------------------------|--|--|-------------------------------------|--|
|                                    | <p>environmental concerns, amongst other factors.</p> <p>Considering the prominent risk scores together with overall health trends moving in a negative direction, this should be an area of focus from an assurance perspective.</p> <p>It was noted as part of the <i>Strategic Risk Register</i> review, that not all the 'Further Actions / Planned Mitigations' appear to be in reference to actual projects in-flight, but rather to areas that require support or more consideration moving forward. This indicates a deeper observation around resource allocation, likely linked into budgetary limitations and pressures, as referenced above.</p> | <p><i>As an example, the mitigating actions included in the Strategic Risk Register, should have relevant programme plans, responsible action owners and deadlines ensuring that the Council remains accountable to mitigating initiatives that it commits to.</i></p> |                                     | <p><b>Owner:</b><br/>Nadia Inglis, Director – Public Health</p> <p><b>Due Date:</b><br/>February 2025</p>  |
| <p><b>Workforce</b> (New Risk)</p> | <p>This is newly documented risk in 2024.</p> <p>This is, together with <i>Inability to improve health outcomes in Walsall</i>, the highest rated risk with a current score 20, considering impact and likelihood.</p> <p>It was noted that the risk level was previously measured as a 9 (upper end of 'Amber'), before the recent September update which increased the risk level to 20.</p> <p>The update is in line with management's understanding of the 'real' nature of this</p>   | <p>1. Workforce strategies should be implemented across all directorate groups.</p>  | <p><b>Partial risk coverage</b></p> | <p><b>Management Response:</b></p> <p>The current review and refresh of the SRR will address the observations and the risk will be appropriately updated prior to being reported to CMT in January and Audit Committee in February 2025.</p> <p><b>Owner:</b><br/>Michele Leith, Director – Human Resources, Organisational Development and Administration</p> <p><b>Due Date:</b></p> |

| Strategic Risk | Observations   | Action Plan | Risk and assurance coverage | Management Comments |
|----------------|--|-------------|-----------------------------|---------------------|
|                | <p>risk to Walsall Council, particularly in the post-covid environment, namely losing key personnel and the difficulties (cost &amp; time) of recruitment.</p> <p>Walsall Council has a strong management team, and it is important that the organisation continues to prioritise the management of its workforce through key retention and wider workforce strategies. One of the existing related initiatives implemented are the Directorate Workforce Strategies which are only used in some areas, as noted by in the review of the <i>Strategic Risk Register</i>.</p> |             |                             | February 2025       |

# Integrated Assurance Map

The integrated assurance map is a snapshot of a point in time and reflect the status and landscape at the time of the report. The map is real time and is required to be updated as changes occur in the Council and emerging risks added to the map. The overall ownership of the integrated assurance map is still required to be confirmed.

Adequate Risk Coverage  
 Partial Risk Coverage  
 Insufficient Risk Coverage  
 N/A\*



\*No Risk Coverage assessed and no risk coverage expected

## Integrated Assurance Map

| #  | Strategic Risk   | Cause  | Effect   | Corporate Goal Lead | 1st Line of Defence               |                                       |                 |                           | 2nd Line of Defence        |                          |                 |                |                          |                        |                 |     |                        |  | 3rd Line of Defence |               |                             |                              |                |
|----|--|--|--|---------------------|-----------------------------------|---------------------------------------|-----------------|---------------------------|----------------------------|--------------------------|-----------------|----------------|--------------------------|------------------------|-----------------|-----|------------------------|--|---------------------|---------------|-----------------------------|------------------------------|----------------|
|    |  |  |  |                     | Business Unit / Region            |                                       |                 |                           | Business Support Functions |                          |                 |                | Monitoring               |                        |                 |     |                        |  | Assurance           |               | Oversight                   |                              |                |
|    |  |  |  |                     | Strategies, Policies & Procedures | Executive Directorate Management Team | Directors Group | Corporate Management Team | Finance Support            | Transformation & Digital | Human Resources | Legal Services | Statutory Officers Group | Performance Management | Health & Safety | PMO | Data Protection / GDPR | Business Continuity Planning / Resilience / Risk | Partnership Working | Accreditation | Quality / Compliance Audits | Internal Audit Forvis Mazars | External Audit |
| 1  | <b>Threats to the Economic Growth of Walsall are not identified and mitigated, together with opportunities for sustainable growth being missed.</b>  | <ul style="list-style-type: none"> <li>-Loss of EU funding compromising coverage of strategic objectives in inclusive growth, jobs and skills.</li> <li>-Economic uncertainty weakens the investment market and the opportunities for our residents to secure sustainable employment.</li> <li>-Continued uncertainty around the cost of living and any as to the ongoing effects of the pandemic.</li> <li>-Business Rate income under threat as a result of</li> </ul>                   | The effect would be reduced future income streams for the council, increased unemployment and reliance on services from the community, reduced aspirations for the next generation.  | Economic Growth     |                                   |                                       |                 |                           |                            |                          |                 |                |                          |                        |                 |     |                        |  |                     |               |                             |                              |                |
| 2  | <b>Transformation and Continuous Improvement does not achieve the outcomes and benefits required to ensure that available resources are directed to deliver the greatest outcomes for the community.</b> | <ul style="list-style-type: none"> <li>-Lack of commitment to change/change fatigue</li> <li>-Technical DaTS capability and service design (business analysts) capacity not sufficient to enable change to be implemented which delivers demonstrable benefits against the Proud Promises;</li> <li>-Directorates and Services work in disparate way;</li> <li>-The organisation does not have the skills or expertise required to deliver and sustain change and is reliant on</li> </ul> | The effect would be that costs of service provision remains above optimum level and opportunity cost of this cannot be removed. The Council would not become fit for purpose to face future challenges. Behaviours and Culture would not change, and customer service levels would be variable | ALL                 |                                   |                                       |                 |                           |                            |                          |                 |                |                          |                        |                 |     |                        |  |                     |               |                             |                              |                |
| 3  | <b>Partnership relationships with other sectors and our major suppliers fail to deliver on shared objectives and therefore outcomes for the community.</b>   | <ul style="list-style-type: none"> <li>-Non vibrant voluntary sector;</li> <li>-Weak relationships with Partners;</li> <li>-Lack of supply chain resilience / suppliers of services in market;</li> <li>-Provider fails;</li> <li>-Financial pressures in other sectors reduce the resources they can deploy;</li> </ul>   | The effect of this risk materialising would be increased future costs for the Council to deliver the same or reduced services or service disruption due to provider or contractor failure  | Communities         |                                   |                                       |                 |                           |                            |                          |                 |                |                          |                        |                 |     |                        |  |                     |               |                             |                              |                |
| 4a | <b>The Council is unable to maintain statutory service standards to support the most vulnerable in society.</b>  | <ul style="list-style-type: none"> <li>-Demand management;</li> <li>-Thresholds, understanding and application of thresholds insufficient across the partnership, leading to unnecessary referrals of children and families from single agencies;</li> <li>-Right Help Right Time: Children who do not require specialist services may be open across Children's Social Care. Children's Services become overstretched</li> </ul>  | This can lead to children and families not being supported in a way which maximizes their opportunities and outcomes and the council not being compliant with legal and statutory requirements, resulting in legal challenge and poor inspection outcomes.                                     | People              |                                   |                                       |                 |                           |                            |                          |                 |                |                          |                        |                 |     |                        |  |                     |               |                             |                              |                |
| 4b | <b>Adult Safeguarding</b>  | <ul style="list-style-type: none"> <li>-Delays in responding to safeguarding concern referrals (2 days) &amp; undertake safeguarding enquiries (28 days) in a timely way due to levels of demand and unpredictability;</li> </ul>  | <ul style="list-style-type: none"> <li>-Delays in responding to safeguarding concern referrals (2 days) &amp; undertake safeguarding enquiries (28 days) in a timely way due to levels of demand and unpredictability;</li> </ul>  | People              |                                   |                                       |                 |                           |                            |                          |                 |                |                          |                        |                 |     |                        |  |                     |               |                             |                              |                |

# Integrated Assurance Map

|    |   |  |  | 1st Line of Defence                                      |                                   | 2nd Line of Defence                    |                            |                           |                 |                          |                 |                |                          |                        |                 | 3rd Line of Defence |                        |   |                                  |                             |                               |                |                 |
|----|---|--|--|--|-----------------------------------|--|----------------------------|---------------------------|-----------------|--------------------------|-----------------|----------------|--------------------------|------------------------|-----------------|---------------------|------------------------|---|----------------------------------|-----------------------------|-------------------------------|----------------|-----------------|
| #  | Strategic Risk  | Cause  | Effect   | Corporate Goal Lead                                      | Business Unit / Region            |  | Business Support Functions |                           |                 |                          | Monitoring      |                |                          |                        |                 |                     | Assurance              |   | Oversight                        |                             |                               |                |                 |
|    |   |  |  |  | Strategies, Policies & Procedures | Executive Directorate Management Teams | Directors Group            | Corporate Management Team | Finance Support | Transformation & Digital | Human Resources | Legal Services | Statutory Officers Group | Performance Management | Health & Safety | PMO                 | Data Protection / GDPR | Business Continuity Planning / Emergency Response | Partnership Working Arrangements | Quality / Compliance Audits | Internal Audit Forth Measures | External Audit | Audit Committee |
| 5  | External Changes in Political and/or legislative environment including ongoing impact of Cost of Living pressures.  | <ul style="list-style-type: none"> <li>Changes in political direction from government;</li> <li>Changes in policy locally;</li> <li>Government driven reform to local government structures / devolution</li> <li>Lack of reform – local government finance, social care funding</li> <li>Government funding package insufficient to support increased cost of living pressures across all council.</li> </ul>                                     | The effect of this risk materialising is that some of the generational change required for example long term regeneration plans or public health driven initiatives may be subject to changing landscape where strategic direction or political landscape changes.   | ALL  |                                   |  |                            |                           |                 |                          |                 |                |                          |                        |                 |                     |                        |   |                                  |                             |                               |                |                 |
| 6  | There is a lack of community cohesion and resilience placing increased pressure on public sector resources.   | <ul style="list-style-type: none"> <li>Demographic change in the Borough;</li> <li>Increase in hate crime and a feeling of segregation;</li> <li>Expectations in community around public services are increasing when funding is reducing;</li> <li>Support for residents around status and access to services;</li> <li>Digitalisation of public services – potential evolution of some residents with English as a second language or</li> </ul> | The effect of this is reduced satisfaction of residents and increased cost pressure in the future.   | Communities  |                                   |  |                            |                           |                 |                          |                 |                |                          |                        |                 |                     |                        |   |                                  |                             |                               |                |                 |
| 7  | Financial Resilience of the council is impacted by the failure to achieve the savings required or manage demand pressures to enable a balanced budget and Medium-Term Financial Plan to be delivered. | <ul style="list-style-type: none"> <li>A Demand and / or costs (individual / combined) increase beyond current forecasts, (including impact on economic growth and jobs, cost of materials, staffing shortfall etc.) in relation to:</li> <li>Cost of living;</li> <li>Demand increases in statutory services;</li> <li>Unforeseen expenditure via a fire or extraordinary event;</li> <li>Failure in budget management across multiple</li> </ul> | This would affect the financial resilience of the council by having to use reserves to balance the budget putting future stability and sustainability of finances at more risk. As reserves are set at a prudent level, replenishment would be required from services, adding to the financial pressure. Having to set an even | Communities  |                                   |  |                            |                           |                 |                          |                 |                |                          |                        |                 |                     |                        |   |                                  |                             |                               |                |                 |
| 8  | Risk of Cyber Security attacks.   | With the council's increasing reliance on digital service delivery if the council is affected by a cyber-attack, it would necessitate IT services being withdrawn whilst remedial work is undertaken to attempt to restore systems   | Depending on the severity of the attack, the recovery time could have a detrimental impact on our ability to deliver some or all services including support for vulnerable adults and children, ability to contact the council, customer self-serve capability via web and contact centre, impact on financial                 | ALL  |                                   |  |                            |                           |                 |                          |                 |                |                          |                        |                 |                     |                        |   |                                  |                             |                               |                |                 |
| 9  | Threats in relation to failing to comply with the legal obligations and duties of the UK General Data Protection Regulations, the Data Protection Act 2018 and relevant legislative requirements      | The inappropriate and/or unlawful collection, processing, sharing and retention of information with regards to data processing or sharing arrangements or systems implementation without assurances or risk assessments (inappropriate or non-compliant records management practices)  | The effect would be a breach of the regulations and/or legislation which may result in loss of reputation, loss of jobs, increasing penalties up to £7m or 4% of turnover and the potential for criminal prosecution.  | ALL  |                                   |  |                            |                           |                 |                          |                 |                |                          |                        |                 |                     |                        |   |                                  |                             |                               |                |                 |
| 10 | Business Continuity Management<br>Failure to deliver key services in the event of significant business interruption, including services delivered by contractors and partners                         | Potential causes include loss of:<br>-key staff (skills, knowledge and/or capacity);<br>-telephone systems;<br>-ICT systems;<br>-buildings and utilities.  | Potential effects include failure to:<br>-provide essential services to vulnerable residents;<br>-maintain essential infrastructure;<br>-key staff, suppliers, and contractors;<br>-communicate internally and/or externally and   | ALL  |                                   |  |                            |                           |                 |                          |                 |                |                          |                        |                 |                     |                        |   |                                  |                             |                               |                |                 |
| 11 | Climate Change<br>Failure to achieve climate change objectives  | Failure to achieve climate change objectives<br><br>-Walsall Council to be net-zero by 2041<br>-MIRA – Net zero carbon economy by 2041<br>-Black Country – Industrial decarbonization by 2040  |  | ALL  |                                   |  |                            |                           |                 |                          |                 |                |                          |                        |                 |                     |                        |   |                                  |                             |                               |                |                 |
| 12 | Significant Failure of Governance – a breakdown in governance to merit formal external intervention either from auditors or central government.   | A breakdown in governance to merit formal external intervention either from auditors or central government.  |  | MU and CBI Officer                                       |                                   |  |                            |                           |                 |                          |                 |                |                          |                        |                 |                     |                        |   |                                  |                             |                               |                |                 |
| 13 | Inability to improve health outcomes in Walsall.  | Health recovery from the pandemic in a time of public sector resource constraints, cost of living challenges and climate change, is linked to the reductions in life and healthy life expectancy we are now seeing nationally and locally.<br><br>The Office for Budget responsibility highlights health-related inactivity in the labour market (and aligned NHS)   | The effect of an inability to mitigate this risk will be an increased pressure on health and social care services (both children and adults) and reduced economic growth. With pressures growing on acute services, preventative spend is also reducing.   | Health and Wellbeing<br>Director of Health               |                                   |  |                            |                           |                 |                          |                 |                |                          |                        |                 |                     |                        |   |                                  |                             |                               |                |                 |
| 14 | Workforce   | The loss of skilled and experienced staff can also result in the loss of organisational knowledge, expertise, and networks, which can affect the quality and innovation of the organization's work.<br><br>Additionally, the failure to recruit and retain skilled and experienced staff can increase the workload and stress of the remaining staff, leading to lower morale.   | a) This results in not being able to attract talent, increased pressures on recruitment activities, increased agency costs and officers having increased workloads to cover for unfilled posts<br><br>b) Can lead to reduced productivity, increased turnover of staff, increased  | Director of HR, OD and Administration & Business Support |                                   |  |                            |                           |                 |                          |                 |                |                          |                        |                 |                     |                        |   |                                  |                             |                               |                |                 |

## Appendix 1 – Stakeholder Glossary

A glossary is included below for each stakeholder group listed within the *Integrated Assurance Map*, taken from various Council documents.

### 1. Strategy, Policies & Procedures

*The Policy Framework includes plans and strategies that set out the priorities for the council and the services that deliver these. The Policy Framework in Walsall contains those plans and strategies as required by local government legislation. Council will review and update these as necessary. Comprehensive policies and procedures are in place, including Codes of Conduct (member and officer ethics and behaviours), Declarations of Interest, a Counter-Fraud and Corruption Policy and Whistleblowing Policy.*

### 2. Executive Director Management Team (EDMT)

*The Council is grouped into four distinct directorates namely Adult Social Care & Public Health, Children's Services, Economy, Environment & Communities and Resources & Transformation. Each Executive Director meets with his/her directors regularly to discuss issues and share information.*

### 3. Directors Group

*The Directors Group will review both directorate and strategic risks and refer them to CMT for consideration, with updates on controls and scores for the Strategic Risk Register presented at least twice yearly to Audit Committee for review.*

### 4. Corporate Management Team

*The role of the Corporate Management Team is to provide visible officer leadership to ensure the council's vision, corporate objectives and Proud (the council's transformation programme) promises are delivered, ensure that the council acts as one organisation to identify and take opportunities to work effectively internally and in collaboration with key partners, promote and ensure excellence in respect of customer service, people management, corporate governance, performance management, financial management and control, risk management and change management and prioritise management action and allocate resources accordingly.*

### 5. Finance Support

*The Finance Business Partnering Team is a strategic function that supports the organisation's key directorates. Alongside a separate Capital team, it provides officers and members with crucial information about the council's financial position. This information is essential for setting budgets and achieving the organisation's objectives.*

### 6. Transformation & Digital

*Providing Tech Support across the Council, including up-skilling of workforce to meet the digital needs of the citizens, improving the Council's digital infrastructure, as well as managing the Council's cyber security control environment.*

### 7. Human Resources

*Providing expert advice, guidance, challenge and support to managers on all employee relations casework issues and structural and contractual change activity. Ensuring that the service provided is focussed on delivering excellent customer service, and innovative and effective business solutions.*

### 8. Legal Services

*Advise and support services on all aspects of law applicable to the Local Authority, ensuring appropriate representation of the Council before courts and tribunals and maintaining high standards of corporate governance and member/officer behaviour.*

## **9. Statutory Officers Group**

*Head of Paid Service (Chief Exec), Chief Finance Officer (S.151 Officer) and Monitoring Officer.*

*There must be regular meetings between the Head of Paid Service, Chief Finance Officer, and Monitoring Officer (statutory officer meetings), which should include the Head of Internal Audit on a regular basis, to review current and likely future issues that will raise political, financial, legal, staffing or other issues that may impact on their statutory duties. Minutes should be kept of all meetings to evidence when issues were reported and discussed, and any advice given.*

## **10. Performance Management**

*Responsibility for managing performance lies with individuals at all levels in the organisation and the current approach continues to aim to empower staff, services and leadership to apply the principles of performance management appropriately as required to individual circumstances. The council's Performance Management Framework has been reviewed and refreshed to fully align with the Corporate Planning process.*

*The performance measures / indicators used to monitor delivery of the council plan are reported on a quarterly basis to CMT and then Cabinet.*

## **11. Health & Safety**

*Walsall Council recognises the importance of ensuring the health, safety and welfare of our employees and fully accepts our statutory obligations both to employees and others who may be affected by our activities. The council is committed to continuous improvement in health & safety; it will develop policies, systems and procedures to achieve this aim. The council is also committed to providing a safe and healthy environment for employees and all who use our services.*

## **12. Project Management Office**

*The Walsall Programme Management Office (WPPMO) is responsible for the governance of all transformation activity and have established governance arrangements to provide oversight at specific points during the implementation of change.*

## **13. Data protection/ GDPR**

*An information governance framework incorporating appropriate policies, procedures, standards and guidance that ensures robust controls are in place for compliance of our legal obligations under the UK Data Protection Regulations.*

## **14. Resilience Unit (Emergency Planning)**

*Provide professional advice, guidance and assistance to service areas in Walsall Council in developing emergency plans including business continuity plans and arrangements. Providing advice, guidance and assistance in the preparation of exercises to test emergency and business continuity plans.*

## **15. Quality/ Compliance Audits**

*The council carries out an assessment of its compliance with the CIPFA Code of Financial Management and creates an action plan progress to address areas for improvement which is reported to the Audit Committee on an annual basis.*

## **16. Internal Audit**

*The Internal Audit function operates in accordance with the CIPFA Code of Practice, compliance with which is assessed. An Internal Audit plan is prepared in advance, based on a risk assessment of key systems and controls, and aims to cover all major systems of internal controls. The internal audit function reviews the assurance map that informs the SRR, involving the collation of information from different levels*

*of internal and external assurance to provide Audit Committee with assurance regarding how effectively the organisations are being managed.*

## **17. External Audit**

*An independent external audit function which reports on the financial and governance arrangements of the council with a delivery of Auditor's Annual Report & Value for Money Opinion, Opinion on Statement of Accounts "to those charged with governance" (the Audit Findings Report).*

## **18. Audit Committee**

*The Committee has a key function in respect of the system of internal control and its effectiveness and the work of the Committee includes the review of the Annual Governance Statement and its formal approval each year. The Audit Committee receives summary reports of audits receiving a 'Limited' or 'Unsatisfactory' assurance opinion and audit recommendations and actions and seeks to ensure that control weaknesses where identified are addressed.*

*The annual work programme of the Audit Committee includes receiving, considering and reviewing reports on the work of Internal and External Audit, including reports on internal controls, risk management, the External Auditor's Annual Report on value for money and the financial resilience of the council and the External Audit Opinion on the statement of accounts.*

## **19. Other Regulatory Assurance Providers**

*Other sources of assurance (including 3rd Party) are as follows:*

- *Fraud reports & investigations*
- *Post implementation reviews of projects*
- *Scrutiny working party reports*
- *Human resource policies & procedures including employee code of conduct*
- *Joint National Consultative Committees (JNCC)*
- *Employee Relations Forum (ERF)*
- *Reports by inspectorates and follow up actions*
- *Ombudsman Reports*
- *Peer Reviews and follow up actions*
- *Senior Information Risk Owner (SIRO) and Caldicott Guardian*

*Refer to the AGS Framework for further information.*

## **20. Peer Reviews**

*A Corporate Peer Challenge is conducted every five years. Following this, a Corporate Peer Challenge Report is published along with an action plan, which is monitored to ensure its implementation.*

## Appendix 2 – Terms of Reference

### Audit rationale

#### Why the Audit is in Your 2024/25 Plan

Focussing on core Governance arrangements across the council and covering Risk Management at a strategic and operational level.

### Audit Milestones

| Audit budget         | Scoping meeting    | Draft ToR issued      | Sponsor approval             | Final ToR issued      |
|----------------------|--------------------|-----------------------|------------------------------|-----------------------|
| 5-10 Days            | 25/07/2024         | 08/08/2024            | 08/08/2024                   | 08/08/2024            |
| Fieldwork start date | Fieldwork end date | Draft report (target) | Management comments (target) | Final report (target) |
| 22/08/2024           | 11/09/2024         | N/A                   | N/A                          | N/A                   |

### Background

Internal Audit will conduct an independent review of Walsall Council’s Assurance activities, with the objective of providing key stakeholders with strong oversight over principal risk areas and material controls that contribute towards the Council’s governance, strategy and risk management framework.

The integrated assurance map output is expected to serve as:

- A clear representation of the current state of integrated assurance and internal control at a given time, for reporting to the Corporate Management Team and Audit Committee as required.
- A support for decisions on the level of risk oversight and the level and nature of assurance activity (including internal audit) that is appropriate for Walsall Council, and to help the organisation to better coordinate assurance effort to maximise its value.

A high-level review of the current state of Walsall Council’s co-ordination of the appropriate level of assurance for controls over significant and inherent risk areas identified by the organisation will be undertaken.

Our audit approach is as follows:

Collate information:

- Collate relevant information and documentation from management (refer to details under document request)

Integrated Assurance mapping:

- 
- Obtain an understanding of the current Integrated Assurance structure and coverage through inspection of documentation received.
  - Consult with the Internal Audit and Risk teams and Risk Champions to populate the first version of the map, then validate the results of the mapping process with key stakeholders through interviews.
  - Link and document the top risks and active risks to the relevant processes.
  - Determine organisational, management & governance structures in place to determine ownership (lines of defence).
  - Determine the current level of assurance received in relation to the identified processes.

Analyse and report:

- Assess & align assurance providers with risk areas.
  - Perform detailed review to assess current assurance provided and determine gaps, inefficiencies and duplication.
  - Assess and recommend on which of the gaps, and duplications require remediation, and which teams at Walsall Council would be most appropriate to address them. Recommendations will be based on our view of what is appropriate for an organisation of the size and nature of Walsall Council, and on Walsall Council' (assumed or explicit) appetite for oversight and assurance.
-

## Scope of work

The scope for the audit is concerned with assessing whether Walsall Council has in place adequate and appropriate policies, procedures, and controls to manage the above risks. We will review the design of controls in place and, where appropriate, undertake audit testing of these to confirm compliance with controls, with a view to forming an opinion on the design of, compliance with and effectiveness of internal controls.

The work will be undertaken using a risk-based approach and our findings will only be on the basis of sample testing, unless we are able to perform data analysis to assess a total population. The audit review does not provide absolute assurance that material error, loss or fraud does not exist. Our work is limited by the information that was provided to us at the time of our fieldwork. The records maintained by third parties to the organisation will not be reviewed and are outside of the scope of this audit.

## Additional requirements

To help us to be able to commence our fieldwork on the agreed start date, we will require the following:

- Organisational strategy and Objectives & Key Results (OKRs), if appropriate
- Business organogram and functional structure
- All executive and oversight committees and their terms of reference (minutes of prior meetings and agendas)
- All internal and third-party assurance providers and their scope of work (SLA's, scoping letters; issued reports)
- Any other documentation that you believe is relevant to the audit.

The following will also help us to complete our review within the indicative timeframes described below:

- Availability of the key staff involved in the review;
- Availability of key documentation, records, or IT systems to facilitate the review;
- An opening meeting with the audit lead and/or key client contacts on the first day of fieldwork; and
- A closing meeting with the audit lead on the final day of fieldwork.

This is not an exhaustive list, and any other information may be requested and/or other relevant contacts identified during the course of the audit.

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## Reporting Arrangements

During and at the conclusion of the fieldwork we will discuss any matters arising with the senior sponsor(s) key audit contacts. We will prepare a draft report for senior sponsor(s) and key audit contacts setting out a summary of our findings together with recommendations resulting from our work. We will seek your response to the draft report and subject to any further discussions, incorporate your comments into the document and issue the final report.

Our work may identify governance, risk management and control issues. Whenever these issues are significant to the organisation, they shall be communicated by the senior officer accountable for internal audit services to senior management and the Audit Committee and shall be considered in forming the annual opinion.

## Key Client Contacts

| Name         | Job Title         | Email                       |
|--------------|-------------------|-----------------------------|
| Helen Dudson | Assurance Manager | Helen.dudson@walsall.gov.uk |
|              |                   |                             |
|              |                   |                             |

## Forvis Mazars Contacts

| Name          | Job Title          | Email                      |
|---------------|--------------------|----------------------------|
| Peter Cudlip  | Engagement Partner | Peter.Cudlip@mazars.co.uk  |
| Sarah Knowles | Engagement Manager | Sarah.Knowles@mazars.co.uk |
| David Jones   | SME - Manager      | David.Jones@mazars.co.uk   |

## Appendix 3 – Interviews Held

Internal Audit held interviews and discussions with the following team members at Walsall:

| Directorate                         | Name   |
|-------------------------------------|--|
| Economy, Environment & Communities) | <ul style="list-style-type: none"><li>• Simon Tranter (Risk Champion)</li></ul>  |
| Children's Services                 | <ul style="list-style-type: none"><li>• Rob Thomas (Risk Champion)</li></ul>   |
| Adults Social Care                  | <ul style="list-style-type: none"><li>• Nadia Inglis (Risk Champion)</li></ul>   |
| Resources & Transformation          | <ul style="list-style-type: none"><li>• Shaun Darcy (Risk Champion)</li><li>• Anthony Cox (previous Risk Champion)</li></ul> |
| N/A                                 | <ul style="list-style-type: none"><li>• Helen Dudson (Assurance Manager)</li></ul>   |

Forvis Mazars LLP would like to extend its thanks to all staff who assisted with this review.

## Appendix 4 – 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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