



Walsall Council Audit Committee – 17 February 2025 Internal Audit Progress Report

Date Prepared: February 2025

Strictly private and confidential

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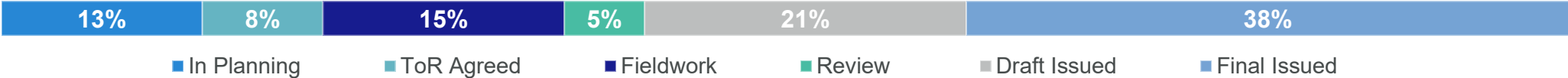
Disclaimer


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.

The Report was prepared solely for the use and benefit of Walsall Council and to the fullest extent permitted by law Forvis 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 this report for further information about responsibilities, limitations and confidentiality.

1. Snapshot of Internal Audit Activity

Below is a snapshot of the current position of the delivery of the 2024/25 Internal Audit Plan.





Audit Committee decisions needed

- That Audit Committee notes the contents of this report and comments accordingly.

RAG status of delivery of plan to timetable On Track

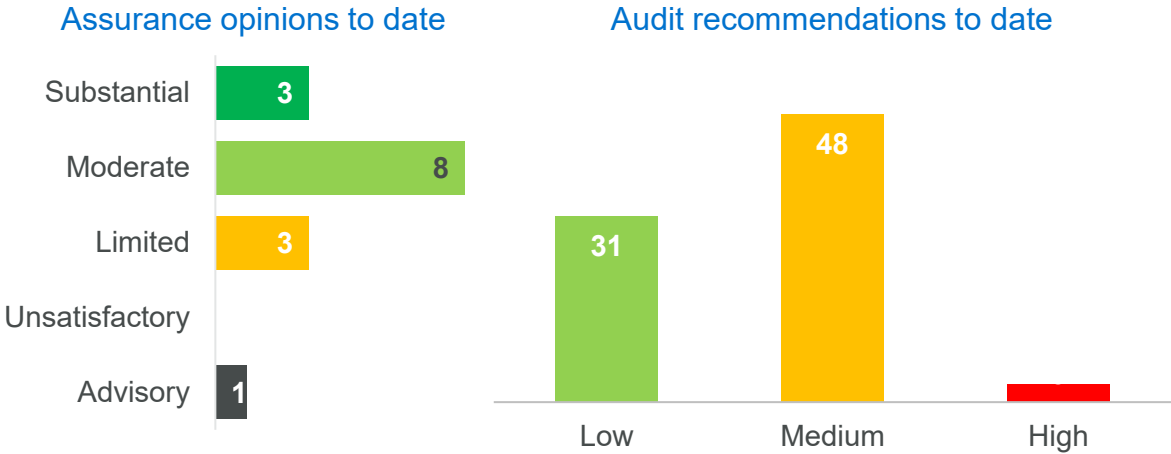
Key updates
 We have issued the following 2024/25 Final Reports since the last meeting of the Audit Committee:

- St Anne’s Catholic Primary School
- Pool Hayes Primary School

The following draft reports have also been issued:

- Communications Strategy
- Leisure Services
- Agency Staff Contract
- School Non-Attendance Penalties
- Main Accounting
- Apprenticeships

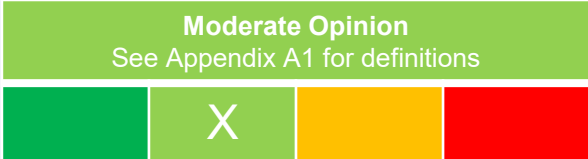
An overview of the Internal Audit Plan can be found in Section 3.



2. Latest Reports Issued – Summary of Findings

Since our last update, we have issued our final report relating to our review of St Anne’s Catholic Primary School. A summary of our most significant findings and the root cause(s) of issues is included below.


Audit Objective: : assess the design and effectiveness of the control framework for managing key financial and non-financial processes.

Audit rationale													
<p>Why the Audit is in your 2024/25 Plan To provide the S151 Officer with assurance over the standards of governance, financial management, and regularity and propriety of spend within the school.</p>													
Summary of our opinion													
<div style="text-align: center;"> <p>Moderate Opinion See Appendix A1 for definitions</p>  </div>		Summary of Recommendations											
		<table border="1"> <tr> <td>High Priority</td> <td>-</td> </tr> <tr> <td>Medium Priority</td> <td>3</td> </tr> <tr> <td>Low Priority</td> <td>1</td> </tr> </table>	High Priority	-	Medium Priority	3	Low Priority	1	<table border="1"> <tr> <td>Actions agreed by you</td> <td>100%</td> </tr> <tr> <td>High Priority completion</td> <td>N/A</td> </tr> <tr> <td>Overall completion</td> <td>March 2025</td> </tr> </table>	Actions agreed by you	100%	High Priority completion	N/A
High Priority	-												
Medium Priority	3												
Low Priority	1												
Actions agreed by you	100%												
High Priority completion	N/A												
Overall completion	March 2025												
Summary of findings													
<p>Examples of good practice</p> <ul style="list-style-type: none"> ✓ A sample of 10 payments under £10,000 illustrated all were in accordance with financial procedures. ✓ The Governing Body meets at least termly. ✓ There is a Whistleblowing Policy in place 	<p>Highest Priority Findings (Medium)</p> <ul style="list-style-type: none"> • A tender exercise had not been undertaken in accordance with Contract Rules for a procurement worth £57,995. • An annual inventory check has not been undertaken and reported to governors. • The School Fund and Before/After school bank accounts have not been audited in 2022/23 and 2023/24. 	<p>Key root causes</p> <ul style="list-style-type: none"> • Unaware of Walsall Council Contract Rules. • Officers unaware inventory checks should be undertaken annually. • Delays in undertaking audit. 											

2. Latest Reports Issued – Summary of Findings

Since our last update, we have issued our final report relating to our review of Pool Hayes Primary School. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: : assess the design and effectiveness of the control framework for managing key financial and non-financial processes.

Audit rationale													
<p>Why the Audit is in your 2024/25 Plan To provide the S151 Officer with assurance over the standards of governance, financial management, and regularity and propriety of spend within the school.</p>													
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<div style="background-color: #92d050; padding: 5px; text-align: center;"> Moderate Opinion See Appendix A1 for definitions </div> 	Summary of Recommendations												
	<table border="1"> <tr> <td style="background-color: #ff0000; color: white;">High Priority</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="background-color: #ffcc00;">Medium Priority</td> <td style="text-align: center;">2</td> </tr> <tr> <td style="background-color: #92d050;">Low Priority</td> <td style="text-align: center;">3</td> </tr> </table>	High Priority	-	Medium Priority	2	Low Priority	3	<table border="1"> <tr> <td>Actions agreed by you</td> <td style="background-color: #92d050;">100%</td> </tr> <tr> <td>High Priority completion</td> <td>N/A</td> </tr> <tr> <td>Overall completion</td> <td>March 2025</td> </tr> </table>	Actions agreed by you	100%	High Priority completion	N/A	Overall completion
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Overall completion	March 2025												
Summary of findings													
<p>Examples of good practice</p> <ul style="list-style-type: none"> ✓ Governors had a DBS and a Section 128 check completed. ✓ The Governing Body meets on a termly basis. ✓ Whistleblowing policy in place. 	<p>Highest Priority Findings</p> <ul style="list-style-type: none"> • School bank mandates should be updated to reflect current, authorised personnel. • Bank account reconciliations had not been carried out monthly. 	<p>Key root causes</p> <ul style="list-style-type: none"> • Staff absences and resource limitations. 											

3. Overview of Internal Audit Plan 2024/25

The table below lists the status of all reviews within the 2024/25 Plan.

Review	Original Days	Revised Days	Status	Report Date	Start Date	AC	Assurance Level	Total	High	Medium	Low
New Invention Junior School	6	6	Final Report	June 2024	April 2024	June 2024	Moderate	6	-	2	4
Short Heath Junior Federation	12	12	Final Report	June 2024	April 2024	June 2024	Limited	18	2	12	4
Castlefort JMI School	6	6	Final Report	June 2024	April 2024	June 2024	Substantial	3	-	1	2
St Peter's Catholic Primary School	6	6	Final Report	July 2024	May 2024	September 2024	Limited	10	-	8	2
Bereavement Services	12	12	Draft Report	September 2024	May 2024			-	-	-	-
Kings Federation	10	10	Final Report	September 2024	May 2024	September 2024	Substantial	1	-	1	-
St Francis Catholic Primary School	6	6	Final Report	July 2024	June 2024	September 2024	Moderate	9	-	4	5
Abbey Primary School	6	6	Final Report	July 2024	June 2024	September 2024	Moderate	5	-	4	1
St Mary of the Angels Catholic Primary School	6	6	Draft Report	July 2024	June 2024						
Blue Coat Federation	12	12	Final Report	September 2024	June 2024	December 2024	Limited	8	1	4	3
Whitehall Infant School	6	6	Final Report	November 2024	September 2024	December 2024	Moderate	5	-	3	2
Totals	88	88					Totals	65	3	39	23

Overview of Internal Audit Plan 2024/25 continued

The table below lists the status of all reviews within the 2024/25 Plan.

Review	Original Days	Revised Days	Status	Report Date	Start Date	AC	Assurance Level	Total	High	Medium	Low
St Joseph's Catholic Primary School	6	6	Final Report	September 2024	July 2024	December 2024	Moderate	4	-	2	2
King Charles Primary School	6	6	Final Report	September 2024	July 2024	September 2024	Moderate	3	-	2	1
ASC Provider – Quality& Fees	10	10	Planning		March 2025			-	-	-	-
St Anne's Catholic Primary School	6	6	Final	January 2025	September 2024	February 2025	Moderate	4	-	3	1
Pool Hayes Primary School	6	6		February 2025	November 2024	February 2025	Moderate	5	-	2	3
Transition & Leaving Care Service	10	10	Fieldwork		July 2024			-	-	-	-
Capital Programme – Temporary Accommodation	10	10	Planning		March 2025			-	-	-	-
Communications Strategy	10	10	Draft Report		October 2024			-	-	-	-
Council Tax/NNDR	15	15	Fieldwork		September 2024			-	-	-	-
Emergency Planning	10	0	Deferred into 2025/26 plan due to service capacity		April 2025			-	-	-	-
Housing Benefit & Local Council Tax Support	10	10	Final Report	October 2024	August 2024	December 2024	Substantial	1	-	-	1
Totals	99	89					Totals	17	-	9	8

Overview of Internal Audit Plan 2024/25 continued

The table below lists the status of all reviews within the 2024/25 Plan.

Review	Original Days	Revised Days	Status	Report Date	Start Date	AC	Assurance Level	Total	High	Medium	Low
Leisure Services	15	15	Draft Report		October 2024			-	-	-	-
Walsall & Bloxwich Town Deal	15	15	Fieldwork		September 2024			-	-	-	-
School Non-Attendance Penalties	10	10	Draft Report		October 2024			-	-	-	-
Accounts Payable	10	10	In Review		December 2024			-	-	-	-
Accounts Receivable	10	10	ToR Issued		February 2025			-	-	-	-
Agency Staff Contract	12	12	Draft Report		November 2024			-	-	-	-
Budgetary Control	10	10	Fieldwork		January 2025			-	-	-	-
Illicit Tobacco & Vapes	10	10	ToR Issued		February 2025			-	-	-	-
Main Accounting	10	10	Draft Report		October 2024			-	-	-	-
Contract Management	10	10	Planning		February 2025			-	-	-	-
Organisational Development Strategy	10	10	Planning		February 2025			-	-	-	-
Totals	122	122					Totals	-	-	-	-

Overview of Internal Audit Plan 2024/25 continued

The table below lists the status of all reviews within the 2024/25 Plan.

Review	Original Days	Revised Days	Status	Report Date	Start Date	AC	Assurance Level	Total	High	Medium	Low
Pathway to Independence	10	10	Planning		March 2025			-	-	-	-
Payroll & Pensions Admin	10	10	Fieldwork		December 2024			-	-	-	-
Treasury Management	10	10	Fieldwork		January 2025			-	-	-	-
Apprenticeships	10	10	Draft Report		August 2024			-	-	-	-
Adult Social Care Debt Recovery	0	10	In Review		December 2024						
IT Audit Needs Assessment	8	8	Completed		September 2024			-	-	-	-
IT Audit – Third Party Risk Management	17	17	ToR Issued		February 2025						
Totals	65	75					Totals	-	-	-	-

4. Follow Up of Recommendations

The table below highlights the number of recommendations raised in the final reports for 2022/23, 2023/24 and 2024/25. It should be noted that progress in implementing recommendations raised is due for follow up as part of the 2024/25 audit plan and summary of findings is shown in the table below.

Year	Total Recommendations	Implemented and/or no longer relevant	%	Implemented, no longer relevant and/or partly implemented	%
2022/23	206	200	97%	206	100%
2023/24	125	118	94%	119	95%
2024/25	82	10	1%	10	12%

The table below highlights outstanding high priority recommendations

Year	Partly implemented	Not implemented / Not Followed up	Not yet due	Superseded
2022/23	1			
2023/24		1		
2024/25		2		

Summary of Recommendations Raised and Follow Up Status - 2022/23

Audit	Assurance Level	Status														
		Total Number of Audit Actions			Implemented			Partly Implemented			Outstanding Past Due Date			Due Date Not Reached		
		H	M	L	H	M	L	H	M	L	H	M	L	H	M	L
New Leaf Centre (Nov 2022)	Moderate / Moderate	-	5	1	-	5	1	-	-	-	-	-	-	-	-	-
Climate Emergency Action Plan (Mar 2023)	Limited / Moderate	-	6	2	-	1	2	-	5	-	-	-	-	-	-	-
WPP - Income Generation (May 2023)	Moderate / Moderate	-	1	2	-	1	2	-	-	-	-	-	-	-	-	-
ASC Continuous Improvement Programme	Limited / Limited	1	5	1	-	5	1	1	-	-	-	-	-	-	-	-
		1	17	6	-	12	6	1	5	-	-	-	-	-	-	-
			24			18		6			-			-		

Summary of Recommendations Raised and Follow Up Status - 2023/24

Audit	Assurance Level	Total Number of Audit Actions			Implemented			Status			Outstanding Past Due Date			Due Date Not Reached		
		H	M	L	H	M	L	Partly Implemented	H	M	L	H	M	L		
Radley Primary School (July 2023) due 31st October 2024	Moderate	-	4	-	-	3	-	-	1	-	-	-	-	-	-	
St Patricks Catholic Primary (Dec 2023) due 31st October 2024	Moderate	-	2	4	-	1	4	-	-	-	-	1	-	-	-	
Workforce Strategy (April 2024)	Moderate	-	2	-	-	2	-	-	-	-	-	-	-	-	-	
Planning & Building Control (April 2024)	Limited	1	4	-	-	-	-	-	-	-	1	3	-	-	1	
		1	12	4	-	6	4	-	1	-	1	4	-	-	-	
			17			10			1		5			1		

Summary of Recommendations Raised and Follow Up Status - 2024/25

Audit	Assurance Level	Total Number of Audit Actions			Status											
					Implemented			Partly Implemented			Outstanding Past Due Date			Due Date Not Reached		
		H	M	L	H	M	L	H	M	L	H	M	L	H	M	L
New Invention Junior School (June 2024) – no longer relevant as Academised	Moderate	-	2	4	-	-	-	-	-	-	-	-	-	-	-	-
Short Heath Junior Federation (June 2024)	Limited	2	12	4	-	-	-	-	-	-	-	-	-	2	12	4
Castlefort JMI School (June 2024)	Substantial	-	1	2	-	1	2	-	-	-	-	-	-	-	-	-
St Peter’s Catholic Primary (Jul 2024)	Limited	-	8	2	-	-	-	-	-	-	-	-	-	-	8	2
Housing Benefits & CTR (Oct 2024)	Substantial	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1
Kings Federation (Sept 2024)	Substantial	-	1	-	-	-	-	-	-	-	-	-	-	-	1	-
St Francis Catholic Primary School (Jul 2024)	Moderate	-	4	5	-	-	-	-	-	-	-	-	-	-	4	5
Abbey Primary School (Jul 2024)	Moderate	-	4	1	-	-	-	-	-	-	-	-	-	-	4	1
Blue Coat Federation (Sept 2024)	Limited	1	4	3	1	-	-	-	-	-	-	-	-	-	4	3
Whitehall Infant School (Nov 2024)	Moderate	-	3	2	-	-	-	-	-	-	-	-	-	-	3	2
St Joseph’s Catholic Primary School (Sept 2024)	Moderate	-	2	2	-	-	-	-	-	-	-	-	-	-	2	2
King Charles Primary School (Sept 2024)	Moderate	-	2	1	-	-	-	-	-	-	-	-	-	-	2	1
St Anne’s Catholic Primary School (Jan 2025)	Moderate	-	3	1	-	-	-	-	-	-	-	-	-	-	3	1
Pool Hayes Primary School (Feb 2025)	Moderate	-	2	3	-	-	-	-	-	-	-	-	-	-	2	3
		3	48	31	1	1	2	-	-	-	-	-	-	2	45	25
			82			4		-			-			72		

Contact

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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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