

Audit Committee – 24 July 2018

Internal Audit Progress Report 2018/19

Summary of the Report

The purpose of this report is to update the Audit Committee on Internal Audit's progress on the 2018/19 audit plan (attached) and performance for quarter one.

Background Papers

Internal Audit reports/monitoring information.

Recommendations

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



Vick Buckley, Head of Finance
13 July 2018

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 2018/19. The attached report highlights progress against the audit plan to date. Audit coverage is broadly in line with the plan.

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

KPI performance as at 30 June (quarter 1) is currently being finalised and a verbal update will be provided at the Committee.

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 2018/19 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 – 24th July 2018

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 2018/19 Internal Audit Plan.

Background

The purpose of the internal audit plan is to identify the work required to achieve a reasonable level of assurance to be provided by Mazars LLP in compliance with the Code of Practice for Internal Audit.

The fundamental role of Internal Audit is to provide senior management and Members with independent assurance on the adequacy, effectiveness and efficiency of the system of internal control, and to report major weaknesses together with recommendations for improvement. This role is fulfilled by carrying out appropriate audit work, normally in accordance with a strategic plan and an annual operational plan, as approved by the Chief Finance Officer and the Audit Committee.

As internal audit is a major source of assurance that the Council is effectively managing the principal risks to the achievement of its corporate objectives, a key rationale for the development of the internal audit plan was the Council's own Corporate and Directorate Risk Registers and how the internal audit plan can provide this assurance.

Progress to Date

Progress against the 2018/19 Internal Audit Plan is shown in Appendix 1.

We have issued the following 2018/19 Draft reports since the last meeting of the Audit Committee:

- Palfrey Infants School

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

- Adult Safeguarding including Deprivation of Liberty Safeguards (Evaluation assurance: **Substantial**. Testing assurance: **Limited**)
- Rushall Primary School (Evaluation assurance: **Good**. Testing assurance: **Good**)
- Pelsall Village Primary (Evaluation assurance: **Substantial**. Testing assurance: **Substantial**)
- Castle Business & Enterprise School (Evaluation assurance: **Good**. Testing assurance: **Good**)

Progress to Date Follow-up of Recommendations

2015/16, 2016/17 and 2017/18

The table below highlights the number of recommendations raised in the final audit reports for 2015/16, 2016/17 and 2017/18. It should be noted that progress in implementing recommendations raised is due for follow up as part of the 2018/19 audit plan, and summary of findings to date is shown in the table below:

Year	Total Recommendations	Implemented and no longer relevant	%	Implemented, no longer relevant or partly implemented	%
2015/16	452	447	99%	451	99%
2016/17	417	362	87%	388	93%
2017/18	336	266	79%	271	81%

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





Year	Partly Implemented	Not Implemented	Not Yet Due
2015/16	1	1	-
2016/17	1	-	-
2017/18	1	-	1

Appendix 4 provides details of outstanding high priority actions and a summary of the status of all 2015/16, 2016/17 & 2017/18 recommendations where the proposed implementation date was at or before 31st May 2018.

Definition of Assurance & Priorities

Audit assessment

In order to provide management with an assessment of the adequacy and effectiveness of their systems of internal control, the following definitions are used:

Level	Symbol	Adequacy of system design	Effectiveness of operating controls
Good		There is a sound system of internal control designed to achieve the system objectives.	The controls are being consistently applied.
Substantial		Whilst there is a basically sound system of internal control design, there are weaknesses in design which may place some of the system objectives at risk.	There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
Limited		Weaknesses in the system of internal control design are such as to put the system objectives at risk.	The level of non-compliance puts the system objectives at risk.
Nil		Control is generally weak leaving the system open to significant error or abuse.	Significant non-compliance with basic controls leaves the system open to error or abuse.

The assessment gradings provided here are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board and as such the grading of 'Good' does not imply that there are no risks to the stated control objectives.

Grading of recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
Priority 1	Recommendations which are fundamental to the system and upon which the organisation should take immediate action.
Priority 2	Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
Priority 3	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed.

Priority 1 Recommendations

No Priority 1 recommendations have been raised in the final reports issued since the last Audit Committee meeting.

Appendix 1 – Status of Audit Work 2018/19

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Operational Risks	Resources and Transformation											
	IR35	To cover the controls over the Council's compliance with 'Off-payroll working through an intermediary (IR35)' regulations, including Declarations of Interests and impact on rates.	7	6	Q1	Draft Report Issued						
	Money, Home, Job Emergency Payments	Covering controls in respect to expenditure and use of crisis funds.	7	3	Q1	Work in Progress						
	Catering Contracts	To provide assurance and oversight of the new catering contracts and charging arrangements.	5	2	Q1	Work in Progress						
	CRC Energy Efficiency Scheme	Annual audit and sign off	10	3	Q2	Work in Progress						
	Economy & Environment											
	Planning	Covering adequacy and effectiveness of controls in place over planning applications, in light of the 20% national fees uplift.	9	0.5	Q2	ToR Issued						Moved from Q1 at request of Executive Director
	Licencing	Covering the controls in place to ensure compliance with the new licencing regulations and the adequacy and effectiveness of licencing applications.	8	4	Q1	Work in Progress						

Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion	Recommendations	Comments	
Children's Services									
Troubled Families	Covering adequacy and effectiveness of controls in place over eligibility, payments and achievement of progress measures.	10	0.5	Q2 & Q4	Qtr 2 Audit arranged and Notification sent				
Transition to Education Health and Care Plans	To cover controls in place over the transition to education health & care plans, including Walsall's transition plan, EHC needs assessments, decision making and care plans.	10	5	Q2	Work in Progress				
Schools Governance	Providing assurance over the controls in place to ensure sufficient governance and control arrangements in schools.	8	7	Q1	Draft Report Issued				
Operational Risks Total		74	31						
Corporate Review of Agency Staff	Review the use of agency staff, processes for approval and needs analysis.	12	0.5	Q2	ToR Issued			Moved from Q1 at request of Senior HR Manager	
Follow up of Information Commissioners Office Recommendations relating to Subject Access Requests	To provide assurance that recommendations made following the ICO inspection have been addressed.	5	0.5	Q2	ToR Issued				

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
	GDPR	To review the current controls and arrangements in place for ensuring compliance with the General Data Protection Regulations.	16	1	Q2	ToR Issued						Start date confirmed as 30 th July
Strategic Risks Total			33	2								
	Counter Fraud	Internal Audit will work with the Council in the development of a fraud risk register, the provision of fraud awareness training, pro-active fraud exercises and reactive investigations.	30	1	Q1-Q4							National Fraud Initiative data matching exercise. Attendance at the Midland Fraud Group.
	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.	30	2	Q1-Q4							
Governance, Fraud & other Assurance Methods			60	3								
Other	Follow-up of Recommendations	Follow-up of all priority 1 and 2 recommendations made in final reports issued.	30	2	Q1-Q4	In Progress						
	Management and Planning	Including attendance at Audit Committee	75	10	Q1-Q4							
Schools total			105	12								
Schools	To provide the Chief Finance Officer with adequate assurance over standards of financial management and the regularity and probity of spend		120	28	Q1-Q3							
Schools Total			120	28								
Plan Total			392	76								

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Schools	Alumwell Junior		5		Q3	ToR Issued						
	Bentley Federation		10		Q3	ToR Issued						
	Blackwood Primary		5		Q2	ToR Issued						
	Busill Jones Primary		5	4	Q1	Draft Report Issued						
	Butts Primary		5		Q3	ToR Issued						
	Cooper & Jordan Primary		5		Q3	ToR Issued						
	Devles Junior		5		Q2	ToR Issued						
	Greenfield Primary		5		Q2	ToR Issued						
	Lower Farm Primary		5		Q3	ToR Issued						
	Millfield Primary		5		Q2	ToR Issued						
	Palfrey Infants		5	4	Q1	Draft Report Issued						
	Palfrey Junior		5		Q3	ToR Issued						
	Pelsall Village Primary		5	5	Q1	Final Report Issued	Substantial	Substantial	-	3	4	
	Pheasey Park Farm Primary		5		Q3							
	Rushall Primary		5	5	Q1	Final Report Issued	Full	Full	-	-	2	
	St Johns Primary		5	4	Q1	Draft Report Issued						
	Watling Street Primary		5		Q3	ToR Issued						
	Castle Business & Enterprise College		5	5	Q1	Final Report Issued	Full	Full	-	-	1	
New Leaf Pupil Referral Unit		5		Q3	ToR Issued							

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
	Shepwell Pupil Referral Unit		5		Q3	ToR Issued						
	Admin Time inc SFVS		15	1								
Schools total			120	28								

Appendix 2 – Summary of Final Reports

Audit	Opinion		Main Findings
	Evaluation	Testing	
Adult Safeguarding including Deprivation of Liberty Safeguards	Substantial	Limited	<ul style="list-style-type: none"> The Adult Safeguarding Practice Guidance has not yet been issued to officers. Safeguarding concerns are not always processed and approved within the required 48 hours. Audit testing identified that assessment and approval of applications for DoLS took longer than the required 21 days. Action plans are not produced to address weaknesses in performance data.
Rushall Primary School	Good	Good	<ul style="list-style-type: none"> Financial procedures do not include sufficient detail for income and banking, school fund and the inventory. The minutes of the Governing Body meetings are not sufficiently detailed.
Pelsall Village Primary School	Substantial	Substantial	<ul style="list-style-type: none"> One Governor had not provided a copy of their DBS certificate. Full evidence of spend was not available to support a payment from the school fund. A cheque payment had been made for work undertaken by a member of staff.
Castle Business & Enterprise College	Good	Good	<ul style="list-style-type: none"> Not all documentation produced for the monthly school fund bank account reconciliation had been retained on file.

Appendix 3 – Summary of Unplanned/Irregularity Reports

No unplanned or irregularity reports have been issued since the last meeting of the Audit Committee.

Appendix 4 - Follow-up of Recommendations 2015/16, 2016/17 and 2017/18

Follow-up audits have been undertaken in accordance with the 2017/18 audit plan. The objective was to confirm the extent to which the recommendations made in 2015/16, 2016/17 and 2017/18 internal audit final reports have been implemented.

Outstanding and Partly Implemented High Priority Recommendations from 2015/16, 2016/17 and 2017/18

Audit/Report Date	Assurance	Recommendations	Management Response	Responsibility and Due Date	Update Position
Residential Charging May 2016	Limited	Procurement	It should be ensured that the issue of having to manually calculate budget monitoring reports is addressed as part of the implementation of Mosaic Financials.	Mosaic Implementation Team 30 th Sept 2016 Revised November 2017 Rerevised Autumn 2018	Not implemented The Mosaic Phase 3 project commenced in September 2017 Phase 3 priority is streamlining; efficiency and reducing manual Intervention across financial activity within ASC. The system design incorporates an end to end financial process. The reporting stream will enable much greater reporting across the whole system significantly reducing manual activity currently undertaken. Autumn 2018
			Contracts will be awarded following cabinet approval regarding fee rates.	Lead Commissioning Officer 1 st July 2016 Revised 31/10/16 Rerevised June 2018	Partially implemented Advised that transitional contracts in place, but not yet gone out to tender as waiting from advice from procurement. Revised deadline June 2018

Audit/Report Date	Assurance	Recommendations	Management Response	Responsibility and Due Date	Update Position
<p>Community Alarms & Telecare Services</p> <p>June 2017</p>	<p>No / Limited</p>	<p>Provisions for providing a 24-hour call out service require review to ensure that sufficiently trained staff are available to deal with emergency/urgent reports to ensure service users are not left at risk.</p>	<p>The CAS call operator and Response officers are available 24/7; to date the fitting service has never had the resource or budget to support 24/7 fitting and maintenance.</p> <p>To date there has never been sufficient evidence to suggest a dedicated out of hours maintenance team is required.</p> <p>In addition, there are councils that do not operate response services for either maintenance equipment or actual support. Benchmarking with these local authorities will be undertaken as part of the review of service delivery options.</p> <p>All equipment that “fails” can be replaced with an alternative where the kit is peripheral, (i.e. is linked to a base unit), and where Response Officers are suitably trained. They are able to fit out of hours on an emergency basis only however, their priority action is responsive care provision.</p> <p>Action: An additional temporary installation officer has been recruited which has reduced installation times down to 48 hours for urgent and 5 days for routine installations as of 19.05.2017.</p> <p>Action: The Group Manager will make initial contact with Integrated Facilities Management to undertake the scoping of a fitting and maintenance programme, based on an affordable, internal facilities management model or by an alternative delivery model.</p>	<p>Team Manager – Response Service</p> <p>Temporary staff sourced by end of July 2017 to support where needed.</p> <p>Group Manager – Learning Disabilities Commissioning Manager Group Manager – Performance</p> <p>Long Term Plan for Assistive Technology to be presented to EDMT in the summer.</p> <p>Revised date December 2017</p> <p>Rerevised date September 2018</p>	<p>Partially implemented.</p> <p>Telecare is now under the line management of the Team Manager, Response Services for consistency.</p> <p>A soft market exercise has been completed along with a benchmarking exercise. Option appraisals for the delivery of community alarms and telecare has been drafted for presenting to Cabinet. This has been delayed until the Summer due to the elections in May 2018.</p> <p>The long term plan for Assistive Technology was not completed due to a baselining report being completed in consultation with the Head of Customer Service Transformation. This is likely to be completed within the next month.</p> <p>The out of hour’s provision for response has not changed. This continues to be provided by support staff if any are available. Revised deadline September 2018</p>

Audit/Report Date	Assurance	Recommendations	Management Response	Responsibility and Due Date	Update Position
<p>Market Management</p> <p>April 2018</p>	<p>Limited / Substantial</p>	<p>It should be ensured that:</p> <ul style="list-style-type: none"> • There is quality contract monitoring of domiciliary care providers. • The quality monitoring tool used for residential care providers is utilised for other care providers. • Service reviews of non-residential care providers are undertaken on a regular basis. 	<p>There is no dedicated resource for quality monitoring within ASC and the function of our corporate team is limited to contract compliance.</p> <p>ASC has tried to address the gap for Older People Residential Care homes by incorporating the task into the Commissioning Officers role with the intention of rolling out the learning across all client groups and accommodation types. With competing priorities, this ambition has not been achieved. In recognition of the gap ASC hosted the Quality Summit bringing together key stakeholders with collective responsibility for the quality of all care provision in Walsall.</p> <p>Sub groups have been established and scoping work continues with recognition of the areas covered in this report. It is likely the Council will need to find additional investment to effectively manage providers to deliver good quality care in Walsall.</p>	<p>Head of Service – Integrated Commissioning / Lead Commissioner / Lead Commissioner</p> <p>December 2018</p>	<p>Not yet due for implementation</p>

The table below provides a summary of the status of 2015/16 recommendations that have not been reported as implemented at previous Audit Committee meetings.

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
Residential Charging May 2016	Limited	30	21	1			1			7	July 2016 Sep 2018	-	
Cloud Computing June 2016	Borderline Significant	4	-		3					1	Jun 2017 Jun 2018	-	
		34	21	1	3	0	1	0	0	8	-	-	0

* See 'Outstanding and Partly Implemented High Priority Recommendations from 2015/16, 2016/17 and 2017/18' table at the start of appendix 4 for priority 1 recommendations updated position.

The tables below provide a summary of the status of all 2016/17 recommendations where the proposed implementation date was at or before 31st May 2018 and have not been reported as implemented at the previous Audit Committee meeting.

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
Town & District Centres Markets March 2017	Limited / Limited	12	9		2					1	July 2017	Jun 2018	-
Facilities Management January 2017	Limited / Limited	15	10					5		-	June 2017	Sep 2018	-
Pheasey Park Farm Children's Centre January 2017	Substantial / Limited	15	-							-	Jun 2017	To be followed up during school audit 2018/19	15
Appointeeships & Deputyships April 2017	Limited / Limited	18	16		2					-	Dec 2017	Jun 2018	-
Adoption & Fostering March 2017	Good / Substantial	4	3							-	April 2018	Oct 2018	1
Community Alarms & telecare Services June 2017	No / Limited	20	9	2	9					-	Aug 2017 (temp measures)	Sep 2018	-
Salisbury Primary School	n/a	20	9	2	5			1	1	-	Dec 2017	Sep 2018	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				
June 2017													
Cyber Security February 2017	Limited / Limited	8	3		1					-	Feb 2018	Sep 2018	4
Support Planning, Resource Allocation, Personal Budgets & Direct Payments September 2017	Substantial / Limited	12	9		3					-	Mar 2018	Dec 2018	-
		124	68	4	22	0	0	6	1	1	-	-	22

* See 'Outstanding and Partly Implemented High Priority Recommendations from 2015/16, 2016/17 and 2017/18' table at the start of appendix 4 for priority 1 recommendations updated position.

The tables below provide a summary of the status of all 2017/18 recommendations where the proposed implementation date was at or before 31st May 2018 and have not been reported as implemented at the previous Audit Committee meeting.

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
Ogley Hay Nursery School September 2017	Substantial / Limited	16	14					2		-	Apr 2018	-	-
Mary Elliot School September 2017	Substantial / Substantial	10	10							-	May 2018	-	-
Local Authority Designated Officer November 2017	Good / Good	2	1							-	Sept 2018	-	1
CRC Energy Efficiency Scheme November 2017	Limited / Substantial	8	5		1					-	Jun 2018	-	2
Housing Benefit & Council Tax Reduction December 2017	Substantial / Substantial	7	6							-	Jun 2018	-	1
St James Primary School January 2018	n/a	31	10							-	Sep 2018	-	21
Accounts Receivable February 2018	Substantial / Substantial	2	-		2					-	May 2018	Dec 2018	-

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				
Payroll & Pensions Administration February 2018	Substantial / Substantial	6	4		2					-	Feb 2018	Sept 2018	-
Council Tax & NNDR February 2018	Substantial / Substantial	4	2							-	Sep 2018	-	2
Performance Management March 2018	Substantial / Limited	7	3							-	Jul 2018	-	4
Early Years March 2018	Substantial / Substantial	4	2							-	Aug 2018	-	2
RIPA April 2018	Substantial / Substantial	10	3							-	Sep 2018	-	7
Adult Social Care Market Management April 2018	Limited / Substantial	7	1							-	Dec 2018	-	6
Main Accounting May 2018	Significant / Good	2	1							-	Jul 2018	-	1
Domiciliary Care June 2018	Limited / Limited	13	2							-	Apr 2019	-	11
Adult Safeguarding including	Substantial / Limited	6	2							-	Aug 2018	-	4

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				
Deprivation of Liberty Safeguards June 2018													
		135	66	0	5	0	0	2	0	0	-	-	62

* See 'Outstanding and Partly Implemented High Priority Recommendations from 2015/16, 2016/17 and 2017/18' table at the start of appendix 4 for priority 1 recommendations updated position.

Fully implemented 2017/18 audit reports

Title	Assurance Level	Raised	Implemented	No Longer Relevant
Beacon Primary School	Substantial / Substantial	8	8	-
Oakwood School	Substantial / Substantial	6	6	-
Sandbank Nursery School	Substantial / Substantial	11	11	-
Chuckery Primary School	Substantial / Substantial	7	7	-
Old Church Primary School	Substantial / Substantial	8	8	-
Troubled Families Grant	Substantial / Good	3	3	-
Declarations of Interest	Substantial / Substantial	10	10	-
New Invention Junior School	Substantial / Substantial	6	6	-
Hillary Primary School	Substantial / Substantial	8	8	-
Valley Nursery School	Substantial / Limited	15	15	-
Alumwell Nursery School	Substantial / Substantial	6	6	-
Leighswood Primary School	Substantial / Substantial	8	8	-
Brownhills School	Substantial / Good	5	5	-
St Michael's Primary School	Substantial / Limited	18	18	-
Lindens Primary School	Substantial / Substantial	9	9	-
Business Continuity	Substantial / Substantial	12	12	-
Millfields Nursery	Substantial / Limited	14	14	-
Fullbrook Nursery	Substantial / Good	6	6	-
Pinfold Primary School	Substantial / Good	9	9	-
St Thomas More Catholic School	Substantial / Good	6	6	-
Old Hall School	Substantial / Substantial	14	14	-

School Admissions Planning	Substantial / Substantial	7	7	-
Treasury Management	Good / Good	1	1	-
Accounts Payable	Substantial / Substantial	3	3	-
Troubled Families Grant	Substantial / Substantial	1	1	-
		201	201	0

Appendix 5 – Risk Management Update

Ref	Implementation Action Plan	Estimated Timing by
1	Facilitated CMT session to inform a refresh of the Strategic Risk Register. <i>Confirm principles of new approach.</i> <i>Timed to feed into the 2018/19 audit plan.</i>	22 nd February 2018 Completed
2	Sessions with DMTs / Project Teams to cascade the top down Strategic Risks for consideration at the Operational/Project level as well as Operational level 'bottom up' risks facing services to be captured and considered. <i>Communicate the principles of the new approach.</i>	April 2018 Adults Social Care – 25 th April Childrens' Services – 26 th April Economy and Environment – 21 st May Resources and Transformation - 14 th May Completed
3	Presentation of refreshed Strategic Risk Register to Audit Committee. Audit Committee Member briefing/training session.	July 2018
4	Review of Risk Management for the Head of Internal Audit Opinion. <i>Any recommendations from the review to be included in future steps of action plan.</i>	April/May 2018 Completed
5	Complete sessions with service teams to roll out new strategy and support them to embed. Undertake a skills gap analysis and provide training to address. Consideration of training and induction provided to officers and members to ensure no future gaps in skills appear.	July/August 2018
6	Review the Strategy and Procedural Documentation to ensure they fully reflect developed practices including the refreshed Corporate Plan and Change Programme. <i>Also consideration of how some other processes will affected by the changes in the risk management framework or how changes in how risk is managed or appetite and tolerance might impact on other business process.</i> Audit Committee Member briefing/training session.	September 2018
7	Updated Strategy is approved at Committee <i>Timing and style of future reporting on risk to Committee to be formally agreed.</i>	December 2018

Appendix 6 – 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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