

Audit Committee – 23 November 2020

Internal Audit Progress Report 2020/21 & KPI's – as at the end of Quarter 2

1. Summary of report

- 1.1 This report provides an update to Audit Committee on Internal Audit's progress against the 2020/21 audit plan as at the end of quarter 2 and performance against contract KPI's and provides an update on proposed changes to a number of KPI's.

2. Recommendations

- 2.1 That Audit Committee notes the contents of this report.

3. Background

- 3.1 The audits in the plan have been proposed on the basis of the Council's current Strategic and Directorate Risk Registers; the Walsall Proud Programme, which will continue to give rise to significant change in the organisation; any emerging legislation which will impact the Council in 2020/21; and the recent impacts of Covid-19.
- 3.2 Although the impact of Covid-19 and remote working continues, delivery of the audit programme has progressed by amending processes to accommodate the new working arrangements. A full update on internal audit progress is provided at Appendix 2.

4. Resource and Legal Consideration

- 4.1 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.

5. Citizen Impact

- 5.1 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 the council's operations.

6. Performance and Risk Management issues

- 6.1 Part of internal audit's role is to provide assurance on 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.
- 6.2 Regular updates will be provided to Audit Committee on progress against the approved Internal Audit Plan for 2020/21.
- 6.3 KPI performance for the first quarter of 2020/21 is detailed below, with all KPI's currently on target.

Standard	Target	Actual as at 31/03/20
Achieve the Annual Audit Plan	100% audits in the annual plan to be completed to draft report stage within 15 working days of the 31 March of each year.	End of Year Measure
Produce annual report which includes an overall assurance opinion for the Council for the year.	To be produced and issued to the Chief Finance Officer within 15 working days from 31 March each year.	End of Year Measure
Annual review and report on the effectiveness of the risk management strategy and its application with comments and recommendations for changes.	To be produced and issued to the Chief Finance Officer in accordance with the Audit Committee Work Programme & Timetable.	Ongoing Risk Management work with the Council
Annual risk management report which provides assurance that the system of risk management and identification is suitable and sufficient for the purposes of the Annual Governance Statement.	To be produced and issued to the Chief Finance Officer in accordance with the Audit Committee Work Programme & Timetable.	Ongoing Risk Management work with the Council
Effective completion of audit work.	100% draft reports, which include relevant recommendations, are issued within 6 weeks of the commencement of work.	13/13 100%
Achieve performance of quarterly audit work plan	100% expected audits in the quarterly plan to be completed to draft report stage within 15 working days of last day of quarter	13/12 100%
Produce quarterly progress report in accordance with the specification.	To be produced and issued to the Chief Finance Officer within 15 working days of the end of each quarter.	Met for Quarter 2
Produce a quarterly risk management update report	To be produced and issued to the Chief Finance Officer within 15 working days of the end of each quarter.	Strategic Risk Register updates regularly presented to CMT and Audit Committee. Risk sessions across the Council ongoing
Quarterly review of Strategic Risk Register (SRR) and report for Corporate Management Team and Audit Committee	To be produced and issued to the Chief Finance Officer within 15 working days of the end of each quarter.	Strategic Risk Register updates presented to CMT and Audit Committee. Next update to Audit Committee 23 November

6.4 The following table sets out the Performance Standards against which the success of the contract is measured. Quarter 2 performance for 2020/21 is currently on target for all areas apart from the requirement to notify services of planned audits at least 15 working days in advance where this was not met in one area, in relation to the audit of the HR Grievance Process, however this was a planned amendment to the normal process to allow the actual audit work to begin earlier.

Additionally as part of the quarter 1 performance a variance was previously highlighted relating to the performance standard to produce draft reports within 10 working days of the exit meeting, where 2 audits had seen slight delays (11 and 12 days respectively rather than 10) due to the impact of Covid-19 and remote working at that time.

Standard	Target	Actual as at 31/03/20
Notification of planned audits to Secondary Clients. (Not surprise visits).	Secondary Clients to be notified of the start date of each audit (100%) at least 15 working days in advance.	26/27 96% Exception – HR Grievance Process
Issue audit brief.	100% of audit briefs to be submitted to the Secondary Client for comment and approval at least 10 days prior to commencement date of each audit.	27/27 100%
Conduct exit meetings.	100% to be carried out with Secondary client or their representative within 5 days of the completion of all audit work at a pre arranged time, as specified in the audit brief.	16/16 100%
Produce draft report, which reflects the agreed brief.	100% to be produced and issued by the date set out in the terms of reference and within 10 working days of the exit meeting.	11/13 85% exceptions - Blue Coat Federation and Castlefort Primary School
Produce final report.	100% to be produced and issued with 5 working days of receipt of management response to draft report.	13/13 100%
Complete National Fraud Initiative (NFI) data matching exercise.	Ensure that all data matches are reviewed and investigated on an annual basis in accordance with the timetables provided.	2020/21 data uploaded, matches to be shared early 2020
Counter fraud work	To maintain and update counter fraud policies, the counter fraud toolkit, training and other counter fraud work as agreed in advance with the Chief Finance Officer.	Ongoing as required
Follow up on all high priority actions	Reports produced in accordance with timetables set out in the Specification.	Ongoing and progress reported to each Audit Committee
Specialist IT / risk audits	Quarterly report detailing percentage of time of qualified or specialist staff utilised in delivery of the audit and risk work undertaken during the quarter	Completed as part of monitoring information
Respond to unsatisfactory client satisfaction questionnaires/CMT feedback	To be provided to the Chief Finance Officer within 10 working days	N/A
Attendance at planned meetings with both the Chief Finance Officer and external audit as detailed throughout this specification.	Meetings attended by Contract Manager	Ongoing

Standard	Target	Actual as at 31/03/20
Attend the Audit Committee meetings in accordance with the Audit Committee Work Programme and Timetable	Meetings attended by Partner or Director or Contract Manager	Ongoing
Provision of audit helpline	Summary of advice provided, to be submitted to chief Finance Officer prior to discussion at quarterly meetings.	Completed as part of monitoring information
Provision confidential reporting hotline answer phone facility.	Summary of calls received and action taken to be submitted to chief Finance Officer prior to discussion at quarterly meetings.	None received
Quality control system	Copy to be provided to Chief Finance Officer on an annual basis	Provided
Compliance with the PSIAS via external accreditation	To provide evidence of the external accreditation	External Assessment completed in 2019 and results shared with Chief Finance Officer.
Provide training for Council Officers, Project Managers and Members in the principles and practices of Risk Management	Provision of training as agreed by the Chief Finance Officer	Member training scheduled in Audit Committee work programme
Audit and Risk Training Programme	To provide a copy to the Chief Finance Officer on an annual basis	Updated as part of strategy review in December 2018. Next review December 2020

6.5 Further to the above reporting of the current performance against existing contract KPI's, the renewal of the internal audit contract has also provided the opportunity to review KPI's, which has identified a number of proposed changes to KPIs that we would like to highlight to Audit Committee as a key stakeholder. These are set out at Appendix 1 and it is proposed that these changes will be incorporated into reporting from quarter 3 onwards.

7. Equality Implications

7.1 Internal audit has full regard to equalities both within the internal audit service and in the services / activities under review.

8. Consultation

8.1 The annual work plan 2020/21 was consulted upon before its endorsement by executive directors, senior managers, and the Chief Finance Officer. It will be presented to Audit Committee in a separate agenda item at this meeting.

9. Background Papers

9.1 Internal Audit reports/monitoring information

V Buckley

Vicky Buckley - Interim Director of Finance, Corporate Performance Management and Corporate Landlord,

Authors

Sarah Knowles, Internal Audit Manager, ✉ sarah.knowles@mazars.co.uk

Lloyd Haynes, Deputy Head of Finance – Corporate, ☎ 01922 652340, ✉ lloyd.haynes@walsall.gov.uk

Changes to Internal Audit Contract KPI's / Performance Standards

Current Standard	Current Target	Revised Standard	Revised Target	Reason for change
Achieve the Annual Audit Plan	100% audits in the annual plan to be completed to draft report stage within 15 working days of the 31 March of each year.	No Change	>95% audits in the annual plan to be completed to draft report stage within 15 working days of the 31 March of each year.	Previous target does not allow for any slippage in delivery of draft reports within 15 days, whereas whilst the revised target still seeks a high level of achievement it provides some flexibility for anomalies that may occur throughout the year.
Produce annual report which includes an overall assurance opinion for the Council for the year.	To be produced and issued to the Chief Finance Officer within 15 working days from 31 March each year.	Produce annual report which includes an overall assurance opinion for the Council for the year and provides assurance that the system of risk management and identification is suitable and sufficient for the purposes of the Annual Governance Statement.	To be produced and issued to the Chief Finance Officer in accordance with the Audit Committee Work Programme & Timetable.	The change to the standard reflects the fact that the work required to provide assurance on the system of risk management is reported together with the annual report rather than separately. The change to the target recognises that the Audit Committee that this outcome is reported to does not necessarily meet within 15 days of the 31 March therefore aligns the preparation to the committee timetable instead.

Current Standard	Current Target	Revised Standard	Revised Target	Reason for change
To be produced and issued to the Chief Finance Officer in accordance with the Audit Committee Work Programme & Timetable.	Ongoing Risk Management work with the Council	Remove as separate standard and combine with above	Remove as separate target and combine with above	The change to the standard reflects the fact that the work required to provide assurance on the system of risk management is reported together with the annual report rather than separately.
Effective completion of audit work.	100% draft reports, which include relevant recommendations, are issued within 6 weeks of the commencement of work.	No Change	>95% draft reports, which include relevant recommendations, are issued within 6 weeks of the commencement of work.	The revised target still seeks a high level of achievement but provides some flexibility for anomalies that may occur throughout the year.
Achieve performance of quarterly audit work plan	100% expected audits in the quarterly plan to be completed to draft report stage within 15 working days of last day of quarter	Remove		Overall performance and delivery against the annual audit plan is already measured in a separate KPI. Planned work for each quarter may change throughout year, and additionally the current standard and target can be a hindrance to starting audits in the last few weeks of each quarter as this impacts the delivery of the target.

Current Standard	Current Target	Revised Standard	Revised Target	Reason for change
Produce a quarterly risk management update report	To be produced and issued to the Chief Finance Officer within 15 working days of the end of each quarter.	No Change	To be produced and issued to the Chief Finance Officer in accordance with the CMT and Audit Committee Work Programme & Timetable.	The change to the target recognises that the Audit Committee that this outcome is reported to does not necessarily meet within 15 days of the end of each quarter and therefore aligns the preparation to the committee time table instead.
Quarterly review of Strategic Risk Register (SRR) and report for Corporate Management Team and Audit Committee	To be produced and issued to the Chief Finance Officer within 15 working days of the end of each quarter.	No Change	To be produced and issued to the Chief Finance Officer in accordance with the CMT and Audit Committee Work Programme & Timetable.	The change to the target recognises that the Audit Committee that this outcome is reported to does not necessarily meet within 15 days of the end of each quarter and therefore aligns the preparation to the committee time table instead.
Notification of planned audits to Secondary Clients. (Not surprise visits).	Secondary Clients to be notified of the start date of each audit (100%) at least 15 working days in advance.	Notification of planned audits to Secondary Clients (not surprise visits) within the time period agreed with them.	Secondary Clients to be notified of the start date of each audit (100%) within the time period agreed with them.	This change provides greater flexibility to agree a notification time period with the client for each audit rather than providing a set 15 days for each, and therefore allows for audit work to begin more quickly where this is appropriate.

Current Standard	Current Target	Revised Standard	Revised Target	Reason for change
Issue audit brief.	100% of audit briefs to be submitted to the Secondary Client for comment and approval at least 10 days prior to commencement date of each audit.	Issue audit brief within the time period agree with the Secondary Client.	100% of audit briefs to be submitted to the Secondary Client for comment and approval within the time period agreed with them prior to commencement date of each audit.	This change provides greater flexibility to agree a time period with the client for each audit rather than providing a set number of days for each, and therefore allows for audit work to begin more quickly where this is appropriate.
Conduct exit meetings.	100% to be carried out with Secondary client or their representative within 5 days of the completion of all audit work at a pre arranged time, as specified in the audit brief.	Conduct exit meetings within the time period agreed with the Secondary Client.	100% to be carried out with Secondary client or their representative, within the time period agreed with them, from completion of all audit work at a pre arranged time, as specified in the audit brief.	This change provides greater flexibility to agree a time period with the client for each audit rather than providing a set number of days for each and therefore takes account of any impact on meeting this timeline due to availability of the secondary client.
Produce draft report, which reflects the agreed brief.	100% to be produced and issued by the date set out in the terms of reference and within 10 working days of the exit meeting.	No Change	>95% to be produced and issued by the date set out in the terms of reference and within 10 working days of the exit meeting.	The revised target still seeks a high level of achievement but provides some flexibility for anomalies that may occur throughout the year.

Current Standard	Current Target	Revised Standard	Revised Target	Reason for change
Produce final report.	100% to be produced and issued with 5 working days of receipt of management response to draft report.	Produce final report within the time period agreed with the secondary client (>95%)	No Change	The revised target still seeks a high level of achievement but provides some flexibility for anomalies that may occur throughout the year.
Complete National Fraud Initiative (NFI) data matching exercise.	Ensure that all data matches are reviewed and investigated on an annual basis in accordance with the timetables provided.	No Change	Ensure that all data matches are reviewed and investigated in accordance with the timetables provided.	The change to the target recognises that the timeline for the NFI exercise does not take place annually, and therefore seeks to align it to the actual timeline.
Respond to unsatisfactory client satisfaction questionnaires/CMT feedback	To be provided to the Chief Finance Officer within 10 working days	No Change	To be provided to the Chief Finance Officer within 10 working days of the feedback being received.	The change to the target seeks to better clarify the start date for the 10 day period.
Provision of audit helpline	Summary of advice provided, to be submitted to chief Finance Officer prior to discussion at quarterly meetings.	Provision of audit helpline and confidential reporting hotline answer phone facility, and provision of summary of advice provided within the agreed time period.	No Change	The change recognises that the audit helpline and confidential hotline are delivered jointly (with one phone number available that provides both facilities).
Provision confidential reporting hotline answer phone facility.	Summary of calls received and action taken to be submitted to chief Finance Officer prior to discussion at quarterly meetings.	Remove and combine with above.	Remove and combine with above.	The change recognises that the audit helpline and confidential hotline are delivered jointly (with one phone number available that provides both facilities).

Current Standard	Current Target	Revised Standard	Revised Target	Reason for change
Provide training for Council Officers, Project Managers and Members in the principles and practices of Risk Management	Provision of training as agreed by the Chief Finance Officer	Provide training, as agreed with the Chief Finance Officer, for Council Officers, Project Managers and Members in the principles and practices of Audit and Risk Management.	No Change	The change seeks to combine all training requirements in to one standard rather than separating out any requirement for audit and risk training specifically.
Audit and Risk Training Programme	To provide a copy to the Chief Finance Officer on an annual basis	Combine with above	Combine with above	The change seeks to combine all training requirements in to one standard rather than separating out any requirement for audit and risk training specifically.



WALSALL COUNCIL

INTERNAL AUDIT PROGRESS REPORT

Audit Committee – 23rd November 2020

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.

Audit planning discussions with key members of management had been completed prior to the Covid-19 pandemic, and their suggestions included in the plan. However, while these suggestions may remain important, some aspects of service delivery and ways of working will have to be transformed and systems of internal control need to change along with these. The Covid-19 Strategic Risk Register has informed some of the audits included in the proposed plan, and the Corporate Management Team has approved these suggestions. We will adapt our approach to ensure that front line services are not impaired by our work, but we must continue to assure members and management that risks are being managed effectively.

The Internal Audit Standards Advisory Board has developed guidance to support both heads of internal audit and individual auditors working in the UK public sector and we will be complying with this guidance in all of our work.

The schools audits we have completed since April have all been carried out remotely and we have amended the usual scope accordingly. Where there are known risks within the omitted scope areas, we have agreed with the schools that we will carry out specific testing in these areas later in the year.

Background

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

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

As internal audit is a major source of assurance that the Council is effectively managing the principal risks to the achievement of its corporate objectives, a key rationale for the development of the internal audit plan was the Council's own Strategic, Covid-19 and Directorate Risk Registers and how the internal audit plan can provide this assurance.

Progress to Date

Progress against the 2020/21 Internal Audit Plan is shown in Appendix 1.

We have issued the following 2020/21 Final report since the last meeting of the Audit Committee:

- St Mary's of the Angels Catholic Primary School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)
- Elmwood School (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)

- Whitehall Nursery & Infant School (Evaluation assurance: **Substantial**. Testing assurance **Limited**)
- St Francis of Assisi Catholic College (Evaluation assurance: **Substantial**. Testing assurance **Substantial**)

We have issued the following 2020/21 Draft reports since the last meeting of the Audit Committee:

- St Joseph's Catholic Primary School
- HR Recruitment Vetting
- Review of Covid-19 Governance & Controls
- Housing Benefit & Local Council Tax Support

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

- Budgetary Control (Evaluation assurance: **Good**. Testing assurance **Good**)

Progress to Date Follow-up of Recommendations

2017/18, 2018/19, 2019/20, 2020/21

The table below highlights the number of recommendations raised in the final audit reports for 2017/18, 2018/19, 2019/20 and 2020/21. It should be noted that progress in implementing recommendations raised is due for follow up as part of the 2020/21 audit plan, and summary of findings to date is shown in the table below:

Year	Total Recommendations	Implemented and/or no longer relevant	%	Implemented, no longer relevant and/or partly implemented	%
2017/18	375	360	96%	364	97%
2018/19	333	310	93%	327	98%
2019/20	226	198	88%	209	93%
2020/21	62	54	87%	55	89%





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

Year	Partly Implemented	Not Implemented	Not Yet Due	Superseded
2018/19	4			1
2019/20	3	4		
2020/21			2	

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

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

These are included in a separate agenda item.

Appendix 1 – Status of Audit Work 2020/21

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Core Financial Systems	Housing Benefit & Local Council Tax Support	<ul style="list-style-type: none"> • Policies, Procedures & Legislation • Administration & Assessment of New Claims • Local Housing Allowance • Reviews • Backdated Benefits / Discretionary Payments • Payments & Reconciliations • Cancellations, Overpayments & Recovery Action • Covid-19 Hardship Fund 2020-21 • Fraud Management • Impact Planning for Universal Credits 	12	10	Q2	Draft Report Issued (Nov 20)						
	Accounts Payable	<ul style="list-style-type: none"> • Policies, Procedures & Legislation • Creditor Transactions & Records • Standing Data Amendments • Purchase Order Processing • Goods Receipting • Invoice Processing • Payments Processing • Procurement Cards • Management Reporting 	12	0.5	Q3	TOR Issued						
	Accounts Receivable	<ul style="list-style-type: none"> • Policies, Procedures & Legislation • Debtor Transactions & Records • Standing Data Amendments • Raising Invoices / Bills • Collection • Refunds • Debt Recovery & Enforcement • Management Reporting 	12	0.5	Q3	TOR Issued						
Core Financial Systems Total			36	11								
Operational Risks	Resources & Transformation											
	Confidential Reporting (Whistleblowing)	<ul style="list-style-type: none"> • Policies, Procedures & Legislation • Confidential Reporting (Whistleblowing) Procedure • Take Up of Whistleblowing Allegations • Monitoring & Reporting 	4	2	Q2	Work Ongoing						

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
	Human Resources Recruitment Vetting	<ul style="list-style-type: none"> • Policies, Procedures & Legislation • Recruitment Vetting 	4	3	Q2	Draft Report Issued (Nov 20)						
	HR - Grievance Process	<ul style="list-style-type: none"> • Policies, Procedures & Legislation • Grievances Raised • Monitoring & Reporting 	10	5	Q2	Work Ongoing						
Economy & Environment												
	Resilient Communities Implementation	Covering adequacy and effectiveness of the implementation of the new working ways within Resilient Communities.	10	0.5	Q2	See Comment						Implementation of model paused
Children's Services												
	Home to School Transport	<ul style="list-style-type: none"> • Policies, Procedures & Legislation • Recording of Service Users Details • Payment to Providers • COVID-19 	10	5	Q2	Work Ongoing						
	Community Services provided by Maintained Schools	<ul style="list-style-type: none"> • Policies, Procedures & Legislation • Approval to Set Up and Run Community Facilities • Supply of Financial Information • Treatment of Income & Surpluses • Taxation • Complaints 	10	0.5	Q2	TOR Issued						
Operational Risks Total			48	16								
Strategic Risks	Review of Covid-19 Governance & Controls	<ul style="list-style-type: none"> • Policies, Procedures & Legislation • Decision Making Procedure • Procurement of Goods and Services • Financial Spend Control 	7	6	Q2	Draft Report Issued (Nov 20)						
	Payments to Suppliers	<ul style="list-style-type: none"> • Payment to Maintain Business Continuity • Other Contractual Relief • Accelerating Payment of Invoices 	5	4	Q2	Work Ongoing						
Strategic Risks Total			12	10								
Governance, Fraud & other	Counter Fraud	Internal Audit will work with the Council in the development of fraud risk, attendance at Midlands Fraud Group meetings and carry out the role of key contact for the NFI and data match reviews	20	5	Q1-Q4							

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Assurance Methods	Governance and Risk Management	The use of CRSA to provide assurance that managers understand their requirements and take ownership of their responsibilities. Risk Management Workshops for staff and Members. Review of individual risks registers as agreed with management.	40	5	Q1-Q4							
	Assurance Mapping	Mapping assurances against risks across the Council and identifying assurance gaps.	20		Q1-Q4							
Governance, Fraud & other Assurance Methods			80	10								
Other	Follow-up of Recommendations	Follow-up of all priority 1 and 2 recommendations made in final reports issued.	25	11	Q1-Q4							
	Management, Advice and Planning	Including attendance at Audit Committee	70	15	Q1-Q4							
Other total			95	26								
ICT	The specific audits and scopes will be agreed with management.		30		Q3							
ICT total			30									
Schools	To provide the Chief Finance Officer with adequate assurance over standards of financial management and the regularity and probity of spend		115	76	Q1-Q3							
Schools Total			115	76								
Plan Total			380	149								
Ad Hoc Contingency	Contingency allocation to be utilised upon agreement of the Chief Finance Officer.											
Total			380	149								

School Audits

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
Schools	Abbey Primary		5	5	Q1	Final Report Issued (Jul 2020)	Limited	Substantial	1	2	3	
	Blue Coat Federation		10	10	Q1	Final Report Issued (Jun 2020)	Substantial	Substantial	-	3	2	
	Brownhills West Primary		5	5	Q1	Final Report Draft (Jul 2020)	Good	Substantial	-	2	1	
	Castlefort Primary		5	5	Q1	Final Report Issued (Jun 2020)	Substantial	Limited	2	3	2	
	County Bridge Primary		5	5	Q1	Final Report Issued (Jun 2020)	Substantial	Substantial	-	3	1	
	Delves Infants & Nursery School		5	5	Q1	Final Report Issued (Jun 2020)	Good	Good	-	-	1	
	Pool Hayes Primary		4		Q3	ToR Issued						
	Salisbury Primary		5	5	Q1	Final Report Issued (Jul 2020)	Substantial	Substantial	-	2	-	
	Short Heath Federation		10		Q1	ToR Issued						
	St Anne's Catholic Primary School		5	5	Q1	Final Report Issued (Jun 2020)	Substantial	Substantial	-	1	4	
	St Bernadette's Catholic Primary School		5		Q2	ToR Issued						
	St Francis Catholic Primary School		4	4	Q1	Final Report Issued (Jul 2020)	Substantial	Limited	1	6	2	
	St Joseph's Catholic Primary School		5	4	Q2	Draft Report Issued (Oct 2020)						

	Area	Scope	Plan Days	Days Delivered	Start of Fieldwork	Status	Opinion		Recommendations			Comments
							Evaluation	Testing	1	2	3	
	St Mary's of the Angels Catholic Primary School		5	5	Q2	Final Report Issued (Sep 2020)	Substantial	Substantial	-	2	3	
	St Peter's Catholic Primary School		5	5	Q2	Final Report Issued (Jun 2020)	Substantial	Substantial	-	3	1	
	Whetstone Field Primary School		5		Q3	ToR Issued						
	Whitehall Infants & Nursery School		5	5	Q3	Final Report Issued (Oct 2020)	Substantial	Limited	2	2	1	
	Rowley View Nursery		4		Q3	ToR Issued						
	Elmwood School		4	4	Q3	Final Report Issued (Oct 2020)	Substantial	Substantial	-	2	2	
	St Francis of Assisi Catholic College		4	4	Q3	Draft Report Issued (Oct 2020)	Substantial	Substantial	-	2	1	
	Admin Time inc SFVS		15									
Schools total			120	76			TOR Issued					

Appendix 2 – Summary of Final Reports

Audit	Opinion		Main Findings
	Evaluation	Testing	
Budgetary Control	Good	Good	<ul style="list-style-type: none"> A number of alternative actions for areas where there is a delay in achievability of savings, have not been completed or reviewed.
St Mary's of the Angels Catholic Primary School	Substantial	Substantial	<ul style="list-style-type: none"> Only one member of staff is involved in preparing cash for banking, and The bank mandates include the Chair of Governors as a signatory.
Elmwood School	Substantial	Substantial	<ul style="list-style-type: none"> It has been reported to governors that a laptop cannot be located. Evidence that two officers are involved with the banking of income is not maintained.
Whitehall Nursery & Infant	Substantial	Limited	<ul style="list-style-type: none"> There is not currently a Committee Terms of Reference in place. Governors approval had not been obtained for a purchase costing £18,275
St Francis of Assisi Catholic College	Substantial	Substantial	<ul style="list-style-type: none"> Approval has not been sought from governors for service level agreements, traded services and leases. From review of bank reconciliations, it was found that in one case the reconciliation had not been signed as checked and in one case the completed bank reconciliation could not be located.



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 2017/18, 2018/19, 2019/20 and 2020/21

Follow-up audits have been undertaken in accordance with the 2020/21 audit plan. The objective was to confirm the extent to which the recommendations made in 2017/18, 2018/19, 2019/20 and 2020/21 internal audit final reports have been implemented.

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

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
RIPA April 2018	Substantial / Substantial	10	3					7		-	Sep 2018	Mar 2020	
Adult Social Care Market Management April 2018	Limited / Substantial	7	4	1	2					-	Dec 2018	Dec 2020	
Domiciliary Care June 2018	Limited / Limited	13	11					1		1	Apr 2019	Nov 2020	
Streamlining of Services (Re-design of Library Service) March 2018	Substantial / Substantial	4	-		1			3			Oct 2019	-	
		34	18	1	3	-	-	11	-	1	-	-	

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

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
Licensing November 2018	Limited / Limited	11	6	2	3					Mar 2020	Oct 2020		
Millfield Primary School October 2018	Limited / Limited	17	16		1					Nov 2018	Oct 2020		
Residential & Nursing Care April 2019	Limited / Limited	13	11	1			1			Mar 2020	Dec 2020		
Communication & Staff Engagement June 2019	Substantial / Substantial	3	2					1		Dec 2019	-		
Procurement June 2019	Substantial / Limited	11	4	2	3			2		Apr 2021	-		
Workforce Plans June 2019	Substantial / Substantial	4	2		2					Dec 2019	Jun 2021		
ICT Business Continuity June 2019	Limited / Limited	4	1	1	1			1		Sep 2020	Mar 2021		
Commissioning of Placements (LAC and SEND)	Limited / Substantial	9	7		1			1		Oct 2019	Mar 2021		
		72	49	6	11			1	5				

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

Audit/Report Date	Assurance Level	Raised	Implemented	Partly Implemented			Outstanding			No longer relevant	Original Due Date	Revised Due Date	Not yet due
				1	2	3	1	2	3				
New Art Gallery September 2019	Limited / Substantial	6	3	2	1						Mar 2020	Nov 2020	
Apprenticeships December 2019	Substantial / Substantial	4	1					3			Jul 2020	Jan 2021	
New Invention Infant School December 2019	Limited / Substantial	14	12		1						Mar 2020	Jul 2020	1
Saddlers Centre Management March 2020	Substantial / Limited	5	1		1		2	1			Sep 2020		
Children's Social Care Caseloads February 2020	Substantial / Substantial	6	4		2						Jul 2020	Nov 2020	
School Capital Programme February 2020	Substantial / Substantial	1						1			Mar 2020	Dec 2021	
Social Media February 2020	Limited / Limited	6					2	1			Apr 2021		3
Accounts Receivable April 2020	Substantial / Substantial	1						1			Aug 2020	Dec 2020	
Payroll & Pensions Administration	Limited / Limited	6	3	2				1			Mar 2021		

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 2020													
Federation School Governance	Substantial / Substantial	3	2								Oct 2020	1	
May 2020													
Cyber Security	Substantial / Substantial	4	2		2						Mar 2021		
April 2020													
		56	28	4	7		4	8				5	

Summary of Recommendations Raised and Follow Up Status - 2020/21

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				
St Anne's Catholic Primary School June 2020	Substantial / Substantial	4	3								Oct 2020		1
St Francis Catholic Primary School July 2020	Substantial / Limited	8	7					1			Sep 2020	Dec 2020	
Salisbury Primary School July 2020	Substantial / Substantial	3	2								Oct 2020		1
St Mary's of the Angels Catholic Primary School September 2020	Substantial / Substantial	5	4		1						Sep 2020	Nov 2020	
Whitehall Nursery & Infant School October 2020	Substantial / Limited	5	2								Dec 2020		3
St Francis of Assisi Catholic College November 2020	Substantial / Substantial	3	2								Dec 2020		1
		28	20		1			1					6



Appendix 5 – Statement of Responsibility

We take responsibility to Walsall Council for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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