



London Borough of Croydon  
**Internal Audit Report for the period**  
1 April to 31 October 2016

This report has been prepared on the basis of the limitations set out in Appendix 6.

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## Internal Audit activity

1. During the first seven months of the 2016/17 financial year the following work has been delivered:

- 55% of the 2016/17 planned audit days have been delivered
- 75 planned audits (excluding ad hoc and fraud work) commenced, either by setting up the files, attending scope meetings or by performing the audits. This was made up of:-
  - 50 system audits commenced and/or were completed;
  - 19 probity audits commenced and/or were completed; and,
  - 6 computer audits commenced and/or were completed.

In addition:

- 15 new ad hoc or fraud investigations commenced and/or were completed.

### Internal Audit Performance

2. To help ensure that the internal audit plan supported the Risk Management Framework and therefore the Council Assurance Framework, the 2016/17 internal audit plan was substantially informed by the risk registers. The 2016/17 internal audit plan was presented to the General Purposes and Audit Committee on 23 March 2016.
3. Work on the 2016/17 audit plan commenced in April 2016 and delivery is now well underway.
4. Table 1 details the performance for the 2016/17 audit plan against the Council's targets. At 31 October 2016 Internal Audit had delivered 55% of the planned audit days. While the year to date performance in terms of draft reports issued is slightly behind target, it should be recognised that this follows a similar pattern to previous years where 100% of the plan has been delivered in-year. Internal Audit is well placed to complete the Audit Plan by year end as required.

**Table 1: Performance against targets**

Performance Objective	Annual Target	Year to Date Target	Year to Date Actual	Performance
% of planned 2016-17 audit days delivered	100%	51%	<b>55%</b>	▲
Number of 2016-17 planned audit days delivered	1037	529	<b>570</b>	▲
% of 2016-17 planned draft reports issued	100%	40%	<b>38%</b>	▼
Number of 2016-17 planned draft reports issued	104	42	<b>39</b>	▼
% of draft reports issued within 2 weeks of exit meeting with the Client	85%	85%	<b>100%</b>	▲
2015/16 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	<b>63%</b>	▼
2015/16 % of priority all recommendations implemented at the time of the follow up audit	80%	80%	<b>80%</b>	▶
2014/15 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	<b>89%</b>	▼
2014/15 % of all recommendations implemented at the time of the follow up audit	80%	80%	<b>93%</b>	▲

Performance Objective	Annual Target	Year to Date Target	Year to Date Actual	Performance
2013/14 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	<b>100%</b>	▲
2013/14 % of all recommendations implemented at the time of the follow up audit	80%	80%	<b>90%</b>	▲
% of qualified staff engaged on audit	40%	40%	<b>50%</b>	▲

### Audit Assurance

5. Internal Audit provides four levels of assurance as follows:

<b>Full</b>	The systems of internal control are sound and achieve all systems objectives and that all controls are being consistently applied.
<b>Substantial</b>	The systems of internal control are basically sound, there are weaknesses that put some of the systems objectives at risk and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk. (*Note - Substantial assurance is provided on School audits.)
<b>Limited</b>	Weaknesses in the systems of internal control are such as to put the systems objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
<b>No</b>	The system of internal control is generally weak leaving the system open to significant error or abuse and /or significant non-compliance with basic controls leaves the system open to error or abuse.

6. Table 2 lists the 2015/16 audits for which final reports were not finalised in time for the annual Head of Internal Audit report and have now been subsequently issued. Details of the key issues arising from these reports are shown in Appendix 1.

**Table 2: 2015/16 Final audit reports issued since the Head of Internal Audit Report (June 2016) up to 31 October 2016**

Audit Title	Risk Level	Assurance Level	Planned Year
<b>Non-school audits</b>			
Parking Control – Parking Permits	High	Limited	2015/16
ICT Service Delivery ITIL Framework	High	Limited	2015/16
Travel and other staff expenses	High	Limited	2015/16
Old Town Building Frontages	High	Limited	2015/16
Members Ethics and Transparency	High	Substantial	2015/16
Heart Town Initiative - Programme and project management	High	Substantial	2015/16
Interserve - Health & Safety and fire etc. checks	High	Substantial	2015/16
Beckmead Tenison Demolition and Enabling Works (Contract audit)	High	Substantial	2015/16

Audit Title	Risk Level	Assurance Level	Planned Year
Clock Tower and Town Hall Replacement Works (Contract audit)	High	Substantial	2015/16
NHS Partnership with Public Health	High	Substantial	2015/16
Integrated Commissioning	High	Substantial	2015/16
Internal Network	High	Substantial	2015/16

7. Table 3 lists the 2016/17 audits for which final reports were issued during the first seven months from 1 April to 30 September 2016. Details of the key issues arising from these reports are shown in Appendix 2.

**Table 3: 2016/17 Final audit reports issued from 1 April to 31 October 2016**

Audit Title	Risk Level	Assurance Level	Planned Year
<b>Non-school audits</b>			
Disabled Facility Grants	High	Limited	2016/17
Payroll	High	Substantial	2016/17
Licensing Income	High	Substantial	2016/17
Prevent Agenda	High	Substantial	2016/17
Hyperion Application Review	High	Substantial	2016/17
<b>School audits</b>			
Forestdale Primary	Medium	Substantial	2016/17
Greenvale Primary School	Medium	Substantial	2016/17
Monks Orchard Primary	Medium	Substantial	2016/17
Ridgeway Primary School	Medium	Substantial	2016/17
Gresham Primary	Medium	Full	2016/17
Downsview Primary	Medium	Full	2016/17
St Johns CE Primary School	Medium	Full	2016/17

#### **Follow-up audits – effective implementation of recommendations**

8. During 2016/17 in response to the Council's follow-up requirements, Internal Audit has continued following-up the status of the implementation of the 2013/14, 2014/15 and 2015/16 audits.
9. Follow-up audits are undertaken to ensure that all the recommendations raised have been successfully implemented according to the action plans agreed with the service managers. The Council's target for audit recommendations implemented at the time of the follow-up audit is 80% for all priority 2 & 3 recommendations and 90% for priority 1 recommendations.

Performance Objective	Target	Performance (to date*)				
		2011/12	2012/13	2013/14	2014/15	2015/16
Percentage of priority one recommendation implemented at the time of the follow up audit	90%	100%	100%	100%	93%	63%
Percentage of all recommendations implemented at the time of the follow up audit	80%	93%	93%	90%	89%	80%

\* The follow ups for 2011/12 and 2012/13 are now complete. The results of those for 2013/14, 2014/15 and 2015/16 audits that have been followed up are included in Appendixes 3, 4 and 5 respectively.

10. Appendix 3 shows the follow-up audits of 2013/14 audits undertaken to date and the number of recommendations raised and implemented. 90% of the total recommendations were found to have been implemented and 100% of the priority 1 recommendations which have been followed up have been implemented.
11. Appendix 4 shows the follow-up audits of 2014/15 audits undertaken to date and the number of recommendations raised and implemented. 89% of the total recommendations were found to have been implemented and 93% of the priority 1 recommendations which have been followed up have been implemented. The outstanding priority 1 recommendations are detailed below:

Audit Title	Executive Director Responsible	Risk Level	Assurance Level	Summary of priority 1 recommendations
Direct Payments	Barbara Peacock	High	Limited	A recommendation was raised as, although checks were undertaken on changes made to bank account details on Swift, these were made retrospectively and were thus not sufficient to prevent payments being made to inappropriate accounts. A recommendation was raised as there was a large back log of outstanding quarterly returns not returned by clients.
School Building Programme	Barbara Peacock	High	Limited	A recommendation was raised as regular and timely site condition surveys were not being undertaken to inform the Major Maintenance programme. A recommendation was raised as The Development Agreement for the new build on the Haling Road site had not been completed before works commenced.
Financial Management of Bed and Breakfast Accommodation	Barbara Peacock	High	Limited	A recommendation was raised as bed and breakfast accommodation arrears grew by £415,229 between 1 April and 31 August 2014 and there was no systematic approach to the chasing of arrears payments and outstanding amenities charges. A recommendation was raised as sample testing noted instances where rent accounts had not been set up in a timely manner, with one account not being set up at all and another taking 6 months to set up. <b>(Going forward these issues will be followed up as part of the 2016/17 Suppliers of Temporary Accommodation audit).</b>

12. Appendix 5 shows the follow-up audits of 2015/16 audits undertaken to date and the number of recommendations raised and implemented. 80% of the total recommendations were found to have been implemented and 63% of the priority 1 recommendations which have been followed up have been implemented. The outstanding priority 1 recommendations are detailed below:

Audit Title	Executive Director Responsible	Risk Level	Assurance Level	Summary of priority 1 recommendations
Contract Management and Governance of Croydon Care Solutions	Barbara Peacock	High	Limited	A recommendation was raised as a final and definitive pooled budget agreement with Croydon Clinical Commissioning Group or Croydon Health Services in respect of Croydon Equipment Solutions could not be provided and thus there is no evidence of this existing. The current pooled budget arrangement operating is not considered to be favourable to the Council.
Use of Pool Cars (Zipcar)	Richard Simpson	High	Limited	A recommendation was raised as whilst individual users have signed 'User Agreements', appropriate guidance, in particular for the enforcement of the scheme by their line managers was not in place. A recommendation was raised as some users had incurred four or more penalty charges (for non-usage, late return or to cover the administrative charge of fines) over the three-month period examined with no recovery action taken.
EMS Application	Richard Simpson	High	Limited	A recommendation was raised due to the absence of an effective disaster recovery plan for the EMS application.
Community Care Payments	Barbara Peacock	High	Limited	A recommendation was raised as commitments were being raised after the service provision start date, with 38% of those examined in excess of three weeks. A recommendation was raised as weekly payment runs for Domiciliary Care services were not being authorised before being exported to One Oracle for payment. <b>(Going forward these issues will be followed up as part of the 2016/17 Community Care Payments audit)</b>

13. Although the follow-up audits of 2016/17 audits have recently commenced, responses to these have not yet been received.

## Appendix 1 - Key issues from 2015/16 finalised audits (1 April to 31 October 2016 only)

Audit Title	Risk Level	Assurance Level & Number of Issues	Summary of key issues raised.
<b>Non School Audits</b>			
Parking Control – Parking Permits	High	Limited (One Priority 1, three Priority 2 and six Priority 3 recommendations)	A priority 1 recommendation was raised as the reconciliation of permit income was found not to be undertaken.
ICT Service Delivery ITIL Framework	High	Limited (One Priority 1 and one Priority 2 recommendation)	A priority 1 recommendation was raised as no recent business continuity testing has been undertaken to demonstrate the effectiveness, or otherwise, of the continuity management arrangements.
Old Town Building Frontages (Contract audit)	High	Limited (Two Priority 1 and three Priority 2 recommendations)	A priority 1 recommendation was raised as contractors were not selected through a transparent selection process and due to a lack of evidence of contractors' registrations with Constructionline, of contractors' status and notation values within Constructionline and that each contractor had been contacted to establish their willingness and capability to tender.  A second priority 1 recommendation was raised as execution of the contract was not completed prior to commencement of works.
Travel and other staff expenses	High	Limited (One Priority 1 and three Priority 2 recommendations)	A priority 1 recommendation was raised as analysis of a sample of personal expenditure claimed examined that 67% did not have any supporting receipts. There is no system default in One Oracle to force receipts to be attached in order for payment to be made. There may also be significant tax implications with expenses claimed not being supported by receipts.
Members Ethics and Transparency	High	Substantial (One Priority 2 and one Priority 3 recommendations)	No priority 1 recommendations were raised.
Heart Town Initiative - Programme and project management	High	Substantial (Five Priority 2 and two priority 3 recommendations)	No priority 1 recommendations were raised.
Interserve - Health & Safety and fire etc. checks	High	Substantial (Five Priority 2 and six priority 3 recommendations)	No priority 1 recommendations were raised.
Beckmead Tenison Demolition and Enabling Works	High	Substantial (One priority 2 and recommendation)	No priority 1 recommendations were raised.
Clock Tower and Town Hall Replacement Works	High	Substantial (Six Priority 2 recommendations)	No priority 1 recommendations were raised.
NHS Partnership with Public Health	High	Substantial (Five Priority 2 and one priority 3 recommendation)	No priority 1 recommendations were raised.
Integrated Commissioning	High	Substantial (Two Priority 2 and one priority 3 recommendation)	No priority 1 recommendations were raised.

Internal Network	High	Substantial (One Priority 2 and one priority 3 recommendation)	No priority 1 recommendations were raised.
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## Appendix 2 - Key issues from 2016/17 finalised audits

Audit Title	Risk Level	Assurance Level & Number of Issues	Summary of key issues raised.
<b>Non School Audits</b>			
Disabled Facilities Grants	High	Limited (Two Priority 1, four Priority 2 and six Priority 3 recommendations)	A priority 1 recommendation was raised as although the works for each disabled facility grant is awarded through a mini-tender exercise, due to the value of the annual aggregated expenditure with some contractors, there is noncompliance with the Councils Tenders and Contracts regulations.  A priority 1 recommendation was raised as the Disabled Facilities Grants Statistics for 2015/16 highlighted that 4 of the 96 approved applications were approved after the statutory deadline of 6 months.
Payroll	High	Substantial (Two priority 2 and one Priority 3 recommendation)	No priority 1 recommendations were raised.
Licensing Income	High	Substantial (One Priority 2 and one Priority 3 recommendation)	No priority 1 recommendations were raised.
Prevent Agenda	High	Substantial (One Priority 2 recommendation)	No priority 1 recommendations were raised.
Hyperion Application	High	Substantial (Two Priority 2 and seven Priority 3 recommendations)	No priority 1 recommendations were raised.
Audit Title	Risk Level	Assurance Level & Number of Issues	Summary of key issues raised.
<b>School Audits</b>			
Forestdale Primary	Medium	Substantial (Three Priority 2 recommendations)	No priority 1 recommendations were raised.
Greenvale Primary School	Medium	Limited (Two Priority 2 and one Priority 3 recommendation)	No priority 1 recommendations were raised.
Monks Orchard Primary	Medium	Substantial (Two Priority 2 recommendations)	No priority 1 recommendations were raised.
Ridgeway Primary	Medium	Substantial (Three Priority 2 recommendations)	No priority 1 recommendations were raised.
Downsview Primary	Medium	Full (No recommendations)	No priority 1 recommendations were raised.
Gresham Primary	Medium	Full (No recommendations)	No priority 1 recommendations were raised.
St Johns CE Primary	Medium	Full (Two Priority 3 recommendations)	No priority 1 recommendations were raised.

## Appendix 3 - Follow-up of 2013/14 audits (with outstanding recommendations only)

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
<b>Non School Audits</b>							
2013/14	Biking the Borough	Shifa Mustafa	High	Limited (3 <sup>rd</sup> follow up in progress)	4	2	50%
2013/14	Information Management	Richard Simpson	High	Substantial (6 <sup>th</sup> follow up in progress)	3	2	66%
2013/14	Mobile Field Flex	Richard Simpson	High	Substantial (3 <sup>rd</sup> follow up in progress)	11	5	45%
2013/14	Procurement – Strategy, Governance and Communication	Richard Simpson	High	Substantial (3 <sup>rd</sup> follow up in progress)	3	1	33%
<b>Non School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>165</b>	<b>156</b>	<b>95%</b>
<b>Non School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>25</b>	<b>25</b>	<b>100%</b>
<b>School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>359</b>	<b>318</b>	<b>89%</b>
<b>School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>30</b>	<b>30</b>	<b>100%</b>
<b>Recommendations and implementation from audits that have had responses</b>					<b>524</b>	<b>474</b>	<b>90%</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>55</b>	<b>55</b>	<b>100%</b>

## Appendix 4 - Follow-up of 2014/15 audits

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
<b>Non School Audits</b>							
2014/15	43 Carmichael Road - Vertical Contract Audit	Richard Simpson	High	No (No further follow up)	9	9	100%
2014/15	Third Sector Commissioning	Richard Simpson	High	Limited (No further follow up)	8	8	100%
2014/15	Corporate and Departmental Asset Management	Richard Simpson	High	Limited (2 <sup>nd</sup> follow up in progress)	9	6	67%
2014/15	Registrars	Barbara Peacock	High	Limited (No further follow up)	8	7	88%
2014/15	Community Wellbeing	Barbara Peacock	High	Limited (No further follow up)	6	6	100%
2014/15	Multi Agency Safeguarding Hub	Barbara Peacock	High	Limited (No further follow up)	11	10	91%
2014/15	Direct Payments	Barbara Peacock	High	Limited (2 <sup>nd</sup> follow up in progress)	5	1	20%
2014/15	Financial Management of Bed and Breakfast Accommodation (Going forward these issues will be followed up as part of the 2016/17 Suppliers of Temporary Accommodation audit).	Barbara Peacock	High	Limited (3 <sup>rd</sup> follow up in progress)	9	4	45%
2014/15	Substance Misuse	Barbara Peacock	High	Limited (1 <sup>st</sup> follow up in progress)	7	0	-
2014/15	Cashless Parking	Shifa Mustafa	High	Limited (No further follow up)	8	7	88%
2014/15	Cemeteries and Crematorium	Shifa Mustafa	High	Limited (No further follow up)	5	5	100%
2014/15	Home Energy Conservation Act (HECA)	Richard Simpson	High	Limited (No further follow up)	4	4	100%
2014/15	School Building Programme	Barbara Peacock	High	Limited (3 <sup>rd</sup> follow up completed)	8	5	63%
2014/15	Waste Contract Management	Shifa Mustafa	High	Limited (No further follow up)	7	6	86%
2014/15	Payments to Schools	Richard Simpson	High	Substantial (No further follow up)	3	3	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2014/15	People Strategy	Richard Simpson	High	Substantial (3rd follow up in progress)	2	1	50%
2014/15	SharePoint roll out and usage	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2014/15	Programme and Projects management – Wandle Rd Surface Car Park	Shifa Mustafa	High	Substantial (3rd follow up in progress)	5	3	60%
2014/15	Programme and Projects Management – New Addington Phase 2	Shifa Mustafa	High	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
2014/15	Programme and Projects Management – West Croydon Interchange	Shifa Mustafa	High	Substantial (No further follow up)	2	2	100%
2014/15	Programme and Projects Management – Fairfield Halls Refurbishment	Richard Simpson	High	Substantial (No further follow up)	4	4	100%
2014/15	Programme and Projects Infrastructure Delivery Plan	Shifa Mustafa	High	Substantial (1 <sup>st</sup> follow up in progress)	3	-	-
2014/15	Business Support Integration	Richard Simpson	High	Substantial (No further follow up)	5	5	100%
2014/15	Facilities Management – Bernard Weatherill House	Richard Simpson	High	Substantial (No further follow up)	9	9	100%
2014/15	Electoral Registration	Richard Simpson	High	Substantial (No further follow up)	6	5	84%
2014/15	Disabled Facilities Grant	Barbara Peacock	High	Substantial (No further follow up)	15	13	87%
2014/15	Gas Servicing Contract Management	Shifa Mustafa	High	Substantial (No further follow up)	2	2	100%
2014/15	Graffiti Removal	Shifa Mustafa	High	Substantial (No further follow up)	4	4	100%
2014/15	Houses with Multi-Occupancy Licensing (HMO)	Shifa Mustafa	High	Substantial (No further follow up)	6	6	100%
2014/15	School Recruitment	Richard Simpson	High	Substantial (No further follow up)	7	6	86%
2014/15	Financial Management of the Coroner's Service	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	5	-	-
2014/15	Agency Use and the New Recruitment Drive	Barbara Peacock	High	Substantial (2 <sup>nd</sup> follow up in progress)	3	1	33%
2014/15	Appointment of Independent Social Workers and CEF Assessment	Barbara Peacock	High	Substantial (No further follow up)	3	3	100%

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Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2014/15	Domestic Violence	Barbara Peacock	High	Substantial (No further follow up)	4	4	100%
2014/15	Employee Mutual – Octavo Partnership	Barbara Peacock	High	Substantial (No further follow up)	2	2	100%
2014/15	Abandoned Vehicles	Shifa Mustafa	High	Substantial (No further follow up)	2	2	100%
2014/15	Housing Development – Affordable Housing	Shifa Mustafa	High	Substantial (No further follow up)	4	4	100%
2014/15	Installation of Automated Sprinkler System	Shifa Mustafa	High	Substantial (No further follow up)	8	8	100%
2014/15	Cap Gemini Final Account	Richard Simpson	High	Substantial (No further follow up)	3	3	100%
2014/15	Contract Management Framework	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2014/15	Bernard Weatherill House – Post Occupancy Evaluation	Richard Simpson	High	Substantial (No further follow up)	3	3	100%
2014/15	Highways Clienting	Shifa Mustafa	High	Substantial (No further follow up)	7	6	86%
2014/15	Express Electoral Registration	Richard Simpson	High	Substantial (2 <sup>nd</sup> follow up in progress)	5	3	60%
2014/15	ICT Asset Management	Richard Simpson	High	Substantial (No further follow up)	6	6	100%
2014/15	Social Media	Richard Simpson	High	Substantial (No further follow up)	2	2	100%
2014/15	Si Dem Parking Application	Shifa Mustafa	High	Substantial (No further follow up)	9	8	89%
2014/15	Liquid Logic Application	Barbara Peacock	High	Substantial (No further follow up)	9	8	89%
2014/15	AIS Application	Richard Simpson	High	Substantial (3 <sup>rd</sup> follow up in progress)	6	4	67%
2014/15	UNIX – Revenues and Benefits Operating System	Richard Simpson	High	Substantial (No further follow up)	7	6	86%
2014/15	Windows OS Security	Richard Simpson	High	Substantial (No further follow up)	5	4	80%
<b>Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>255</b>	<b>218</b>	<b>85%</b>

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
<b>Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>27</b>	<b>23</b>	<b>85%</b>
<b>School Audits</b>							
2014/15	Kensington Avenue Primary School	Barbara Peacock	Medium	Limited (No further follow up)	24	24	100%
2014/15	Monks Orchard School	Barbara Peacock	Medium	Limited (No further follow up)	11	10	91%
2014/15	Park Hill Junior School	Barbara Peacock	Medium	Limited (No further follow ups)	9	9	100%
2014/15	Ridgeway Primary School	Barbara Peacock	Medium	Limited (No further follow up)	15	13	86%
2014/15	Regina Coeli Catholic Primary School	Barbara Peacock	Medium	Limited (No further follow up)	20	20	100%
2014/15	Smitham Primary School	Barbara Peacock	Medium	Limited (No further follow up)	12	10	84%
2014/15	Thomas More Catholic School	Barbara Peacock	Medium	Limited (No further follow up)	25	22	88%
2014/15	The Hayes Primary School	Barbara Peacock	Medium	Limited (No further follow up)	15	13	87%
2014/15	Thornton Heath Nursery School	Barbara Peacock	Medium	Limited (No further follow up)	16	16	100%
2014/15	Coloma Convent Girls' School	Barbara Peacock	Medium	Limited (No further follow up)	12	10	84%
2014/15	Coningsby PRU	Barbara Peacock	Medium	Limited (No further follow up)	12	12	100%
2014/15	Cotelands	Barbara Peacock	Medium	Limited (No further follow up)	10	10	100%
2014/15	Moving On PRU	Barbara Peacock	Medium	Limited (No further follow up)	13	12	93%
2014/15	Phil Edwards PRU	Barbara Peacock	Medium	Limited (No further follow up)	11	10	91%
2014/15	Davidson Primary School	Barbara Peacock	Medium	Substantial (No further follow up)	12	11	91%
2014/15	Heavers Farm Primary School	Barbara Peacock	Medium	Substantial (No further follow up)	7	7	100%
2014/15	Virgo Fidelis Catholic Secondary School	Barbara Peacock	Medium	Substantial	18	15	83%

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
				(No further follow up)			
2014/15	Edenham High School	Barbara Peacock	Medium	Substantial (No further follow up)	11	9	82%
2014/15	Priory School	Barbara Peacock	Medium	Substantial (No further follow up)	18	15	83%
<b>School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>271</b>	<b>248</b>	<b>92%</b>
<b>School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>29</b>	<b>29</b>	<b>100%</b>
<b>Recommendations and implementation from audits that have had responses</b>					<b>526</b>	<b>466</b>	<b>89%</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>56</b>	<b>52</b>	<b>93%</b>

## Appendix 5 - Follow-up of 2015/16 audits

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
<b>Non School Audits</b>							
2015/16	Contract Management & Governance of Croydon Care Solutions	Barbara Peacock	High	No (2nd follow up in progress)	9	8	89%
2015/16	Community Care Payments	Barbara Peacock	High	Limited (follow up in progress with 2016/17 audit)	7	2	29%
2015/16	Food Flagship Initiative	Barbara Peacock	High	Limited (No further follow up planned)	9	8	89%
2015/16	Staff Car parking and Corresponding Allowances	Richard Simpson	High	Limited (No further follow up planned)	6	5	84%
2015/16	Use of Pool Cars (Zipcar)	Richard Simpson	High	Limited (2nd follow up in progress)	4	1	25%
2015/16	Adoption	Barbara Peacock	High	Limited (1 <sup>st</sup> follow up in progress)	4	-	-
2015/16	Fostering	Barbara Peacock	High	Limited (1 <sup>st</sup> follow up in progress)	5	-	-
2015/16	Software Licensing	Richard Simpson	High	Limited (3rd follow up in progress)	8	5	63%
2015/16	EMS Application	Richard Simpson	High	Limited (1 <sup>st</sup> follow up in progress)	4	-	-
2015/16	Council Tax	Richard Simpson	High	Substantial (No further follow up planned)	4	4	100%
2015/16	NDR – Non Domestic Rates	Richard Simpson	High	Substantial (No further follow up planned)	3	3	100%
2015/16	Payments to Schools	Richard Simpson	High	Substantial (No further follow up planned)	3	3	100%
2015/16	Locality Early Help	Barbara Peacock	High	Substantial (No further follow up planned)	9	8	89%
2015/16	Looked After Children (placed in another LA area)	Barbara Peacock	High	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2015/16	Youth Offending Service	Barbara Peacock	High	Substantial (No further follow up planned)	4	4	100%
2015/16	Care Act 2014	Barbara Peacock	High	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
2015/16	Better Care Fund	Barbara Peacock	High	Substantial	7	-	-



London Borough of Croydon

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
				(1 <sup>st</sup> follow up in progress)			
2015/16	Childcare Provision	Barbara Peacock	High	Substantial (1 <sup>st</sup> follow up in progress)	6	-	-
2015/16	Gifts and Hospitality	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	3	-	-
2015/16	Connected Croydon – Programme and Project Management	Shifa Mustafa	High	Substantial (1 <sup>st</sup> follow up in progress)	4	-	-
2015/16	Heart Town Initiative Programme Management	Barbara Peacock	High	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2015/16	People Gateway Programme	Barbara Peacock	High	Substantial (No further follow up planned)	4	4	100%
2015/16	Asset Sales	Richard Simpson	High	Substantial (2 <sup>nd</sup> follow up in progress)	6	3	50%
2015/16	Croydon Challenge (Programme Management)	Richard Simpson	High	Substantial (No further follow up planned)	6	5	84%
2015/16	Risk Management	Richard Simpson	High	Substantial (No further follow up planned)	1	1	100%
2015/16	EMS Data Quality	Shifa Mustafa	High	Substantial (2 <sup>nd</sup> follow up in progress)	4	3	75%
2015/16	Pension Fund Admitted Bodies	Richard Simpson	High	Substantial (No further follow up planned)	1	1	100%
2015/16	Interserve – Fire Safety and Health and Safety Assessments	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	11	-	-
2015/16	Public Consultations	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	1	-	-
2015/16	Street Lighting	Shifa Mustafa	High	Substantial (1 <sup>st</sup> follow up in progress)	3	-	-
2015/16	Waste Contract Management	Shifa Mustafa	High	Substantial (2 <sup>nd</sup> follow up in progress)	3	1	33%
2015/16	Planning Enforcement	Shifa Mustafa	High	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
2015/16	School Capital Delivery	Shifa Mustafa	High	Substantial (No further follow up planned)	5	4	80%
2015/16	Housing Capital Delivery	Shifa Mustafa	High	Substantial (No further follow up planned)	4	4	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2015/16	Waste Recycling	Shifa Mustafa	High	Substantial (2 <sup>nd</sup> follow up in progress)	3	0	0
2015/16	One Oracle Back Office	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
2015/16	Procurement of Consultants – South Norwood Public Realm Lead Design	Shifa Mustafa	High	Substantial (No further follow up planned)	1	1	100%
2015/16	EU Procurement Directives	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
2015/16	SEN Transport Contract	Richard Simpson	High	Substantial (No further follow up planned)	6	6	100%
<b>Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>110</b>	<b>84</b>	<b>76%</b>
<b>Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>16</b>	<b>10</b>	<b>63%</b>
<b>School Audits</b>							
2015/16	St Mary's RC High	Barbara Peacock	Medium	Limited (1 <sup>st</sup> follow up in progress)	7	-	-
2015/16	Beulah Junior	Barbara Peacock	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	Elmwood Infants	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	5	-	-
2015/16	Elmwood Junior	Barbara Peacock	Medium	Substantial (No further follow up planned)	1	1	100%
2015/16	Gilbert Scott	Barbara Peacock	Medium	Substantial (No further follow up planned)	1	1	100%
2015/16	Good Shepherd Catholic	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2015/16	Howard	Barbara Peacock	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	Kingsley	Barbara Peacock	Medium	Substantial (No f/up - recs implemented at final report)	4	4	100%
2015/16	The Minster Junior	Barbara Peacock	Medium	Substantial (2 <sup>nd</sup> follow up in progress)	2	0	0
2015/16	Rockmount	Barbara Peacock	Medium	Substantial (No f/up recs implemented at final report)	1	1	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2015/16	Selsdon	Barbara Peacock	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	St Chad's RC Primary	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	10	-	-
2015/16	Winterbourne Infant & Nursery	Barbara Peacock	Medium	Substantial (No further follow up)	4	4	100%
2015/16	Winterbourne Junior Girls	Barbara Peacock	Medium	Substantial (No further follow up)	2	2	100%
2015/16	Wolsey Infants	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	4	-	-
2015/16	St Joseph's RC Federation	Barbara Peacock	Medium	Substantial (No further follow up)	3	3	100%
2015/16	Archbishop Tenison's C of E High School	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	4	-	-
<b>School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>30</b>	<b>28</b>	<b>93%</b>
<b>School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>0</b>	<b>0</b>	<b>N/a</b>
<b>Recommendations and implementation from audits that have had responses</b>					<b>140</b>	<b>112</b>	<b>80%</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>16</b>	<b>10</b>	<b>63%</b>

## Appendix 6 - Statement of Responsibility

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

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. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all 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. Our procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our work and to ensure the authenticity of such material. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

### **Mazars Public Sector Internal Audit Limited**

**London**

**November 2016**

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