

# General Purposes & Audit Committee Agenda



To: Councillor Karen Jewitt (Chair)  
Councillor Stephen Mann (Vice-Chair)  
Councillors Nina Degrads, Paul Scott, Chris Clark, Joy Prince,  
Stuart Millson, Steve Hollands, Simon Hoar and Luke Clancy

Reserve Members: Pat Clouder, Bernadette Khan, Sean Fitzsimons,  
Clive Fraser, Andrew Pelling, Kola Agboola, Jason Cummings,  
Badsha Quadir, Ian Parker and Jeet Bains

A meeting of the **General Purposes & Audit Committee** which you are hereby summoned to attend, will be held on **Thursday, 16 September 2021** at **6.30 pm** in **Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX**

ASMAT HUSSAIN  
Executive Director of Resources and  
Monitoring Officer (Interim)  
London Borough of Croydon  
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[www.croydon.gov.uk/meetings](http://www.croydon.gov.uk/meetings)  
Wednesday, 8 September 2021

Residents are able to attend this meeting in person, however we recommend that you watch the meeting remotely via the following link:

<https://civico.net/croydon/meetings/13134>

If you would like to attend in person please note that spaces are extremely limited and are allocated on a first come first served basis. If you would like to attend in person please email [democratic.services@croydon.gov.uk](mailto:democratic.services@croydon.gov.uk) by 5pm the working day prior to the meeting to register your interest.

If you would like to record the meeting, we ask that you read the guidance on the recording of public meetings here before attending.

The agenda papers for all Council meetings are available on the Council website [www.croydon.gov.uk/meetings](http://www.croydon.gov.uk/meetings)

If you require any assistance, please contact Michelle Ossei-Gerning  
020 8726 6000 x84246 as detailed above

## **AGENDA – PART A**

**1. Apologies for Absence**

To receive any apologies for absence from any members of the Committee.

**2. Minutes of the Previous Meeting (Pages 5 - 12)**

To approve the minutes of the meeting held on Wednesday 24 February 2021 as an accurate record.

**3. Disclosure of Interests**

In accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, Members and co-opted Members of the Council are reminded that it is a requirement to register disclosable pecuniary interests (DPIs) and gifts and hospitality to the value of which exceeds £50 or multiple gifts and/or instances of hospitality with a cumulative value of £50 or more when received from a single donor within a rolling twelve month period. In addition, Members and co-opted Members are reminded that unless their disclosable pecuniary interest is registered on the register of interests or is the subject of a pending notification to the Monitoring Officer, they are required to disclose those disclosable pecuniary interests at the meeting. This should be done by completing the Disclosure of Interest form and handing it to the Democratic Services representative at the start of the meeting. The Chair will then invite Members to make their disclosure orally at the commencement of Agenda item 3. Completed disclosure forms will be provided to the Monitoring Officer for inclusion on the Register of Members' Interests.

**4. Urgent Business (if any)**

To receive notice of any business not on the agenda which in the opinion of the Chair, by reason of special circumstances, be considered as a matter of urgency.

**5. Update Report on the Recruitment of the Independent Chair of GPAC (Pages 13 - 20)**

This report updates the Committee on the process taken to recruit an appropriately skilled Independent Chair for the Committee, following the decision by Full Council in May that a recruitment process should be commenced.

**6. Croydon Finance Review - Phase 1, 2 and 3 Reports - Update on Implementation**

*Report to follow.*

**7. Report in the Public Interest Action Plan - Progress Update (Pages 21 - 106)**

The report provides the Quarter 2 update of progress made responding to the Council's Report in the Public Interest.

**8. Production of Formal Minutes for Council and Committee Meetings**

*Report to follow.*

**9. Internal Audit Update Report (Pages 107 - 142)**

This report details the work completed by Internal Audit so far during 2021/22 and the progress made in implementing recommendations from audits completed in previous years.

**10. Anti-Fraud Update Report (Pages 143 - 148)**

This report details the performance of the Council's Corporate Anti-Fraud Team (CAFT) and includes details of the team's performance together with an update on developments during the period 1 April 2021 – 31 July 2021.

**11. Work Programme (Pages 149 - 154)**

To consider and approve the Committee work programme for the municipal year 2021/22.

**12. Exclusion of Public and Press**

The following motion is to be moved and seconded where it is proposed to exclude the press and public from the remainder of a meeting:

“That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information falling within those paragraphs indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.”

**PART B**

## General Purposes & Audit Committee

Meeting of General Purpose and Audit Committee held on Wednesday, 24 February 2021 at 6.00 pm. This meeting was held remotely.

### MINUTES

**Present:** Councillor Karen Jewitt (Chair);  
Councillor Stephen Mann (Vice-Chair);  
Councillors Jamie Audsley, Jan Buttinger, Mary Croos, Steve Hollands,  
Bernadette Khan, Stuart Millson, Tim Pollard and Joy Prince

**Also**

**Present:** Councillor Alisa Flemming (Cabinet Member for Children, Young People & Learning)  
Katherine Kerswell (Chief Executive and Head of Paid Service)  
Debbie Jones (Interim Executive Director of Children, Families & Education)  
Hannah Doughty (Head of Social Work with Children Looked After and Care Leavers)  
Malcolm Davies (Head of Insurance and Risk)  
Rosin Madden (Interim Director of Early Help and Children's Social Care)  
Chris Buss (Director of Finance Investment and Risk)

**Apologies:** Co-optee Members James Smith and Muffaddal Kapri  
Councillor Alisa Flemming for lateness

### PART A

62/21 **Disclosure of Interests**

There were none.

63/21 **Urgent Business (if any)**

There were no items of urgent business.

64/21 **Presentation on Unaccompanied Asylum Seeking Children**

Officers delivered a presentation on Unaccompanied Asylum Seeking Children (UASC) and care leavers, the numbers of which had significantly increased over a period of time. The presentation highlighted that there was a number of mitigating factors and the engagement with the Department for Education, Home Office, HMCLG was looking at the funding imbalance, cost and how we support other borough in placing children within their local authority. They were also looking at undertaking the Human Rights

Assessment for care leavers whose appeal rights have been exhausted and looking at the panel again with other local authority in placing children.

*At 6:17pm Councillor Alisa Flemming arrived at the meeting.*

The presentation covered in detail the risk register for UASC, the funding rates for UASC and former USAC care leavers, the 2019/2020 UASC expenditure and finance income, children looked after – both UASC and local children, the national benchmarking of overall CLA numbers (local and UASC), former UASC care leavers and the ongoing work with the Home Office

Officers advised that the Home Office funding arrangements had changed in April to a fixed higher rate for local authorities looking after UASC above the 0.07% expected intake for local authorities and the maximum proportion that authorities are expected to accommodate under the national transfer scheme.

The service received a flat rate of £143 per children per night until the young person reached 18 years old. This had increased from £137.50 for those under 16 years old and £114 for 16 to 17 year olds. The Council also received £240 per week for each former UASC care leaver who was within range for grant funding. Grant funding stopped if (i) the young person had declared appeals rights exhausted; (ii) the young person was over 21 years old and not in a recognised programme of educational training; (iii) if their asylum claim was declared as being valid; or (iv) or if they were in custody or subject to a long term hospital admission.

Officers highlighted that the numbers of children looked after had reduced month on month. Towards the end of January 2021 there was 699 children looked after, of that 485 were local children and 214 who were unaccompanied asylum seeking children.

The impact of the pandemic had reduced the number of incoming children needing to be looked after. Since March, Croydon had supported 108 young people who were aged over 16 to be transferred to other London partners. During this period the service had accommodated forty-six unaccompanied children under the age of 16, this was due to the direct restrictions in the UK and mainland Europe.

The service had a high proportion of 18 to 25 year olds in care, with a disproportionate number of UASC compared to the local young people. This was due to the high number of unaccompanied children who became care leavers, which created a budget strain within the service. Modelling indicated that should the number of children and young people being looked after by the Council remained at the same level, it would reduce to 0.07% by 2031/32, and until that time the service was accommodating children at an annual cost of between £5.4 to £5.7 million pounds.

In conclusion to the presentation, officers advised that the service was working with the Department of Education and MHCLG in requesting additional financial support. It had also been requested that new arrivals were directly transferred to local authorities who were under the 0.07% threshold. Children, including the current care leavers, asylum applications would be prioritised and those who were granted leave to remain would access universal services such as housing benefit, new universal credit and support transferring young people to home office accommodation, and also support to have their appeal rights exhausted and cannot return home.

The Chair asked about the rights of appeal and what would happen once they had been exhausted and young person could not return home. Officers advised that in the undertaking of appeal assessments, if appeal rights were exhausted the duty moved to the Home Office to provide accommodation, with support for the young adults from local charities rather than local authorities.

Members thanked officers for the comprehensive breakdown of the key issues, which were long term and acknowledged that this area of work was a concern that had been addressed in previous meetings and within the report in the public interest (RIPI) by Grant Thornton. There were questions from Members following the presentation, one of which asked for the number of unaccompanied minors that ended up accommodated within an extended family member household. Officers confirmed that the number was low, as most of the unaccompanied minors had no relatives in the country. Occasionally social workers would find out about relatives and would try to match the child with their relative providing an appropriate assessment could take place.

Members asked officers what the top three priorities were for tangible actions that could be met within a year. Officers informed that Croydon had done incredible things for UASC over the last decade, which always came at a cost. They noted that there were more than three priorities to action, however the three top actions were firstly seeking additional financial support from the Home Office [following extensive financial modelling which had continued to be reviewed] to demonstrate Croydon's position was different to other local authorities, particularly when the young people become care leavers.

Secondly, support was sought from DFE colleagues to secure a commitment from other local authorities to take on the financial corporate parenting responsibility for those young people placed outside of the Croydon borough. It was acknowledged that this would not be easy as other local authorities had their own pressures.

Thirdly, the service had developed significant expertise in support UASC within Croydon, to the extent that they were in discussion with the DFE for them to pay for this expertise to support other services and the extensive legal costs that sat underneath that area of work. Another area of work was the position in relation to the over 16s who were part of the voluntary transfer rota. The service was looking for additional support with young people under 16

years old. Officers had seen a significant reduction in the number of young people who had come into Croydon over the last year, and would need to be prepared for an increase post pandemic.

The Cabinet Member for Children, Young People & Learning confirmed that the key issue was being able to work closely with neighbouring authorities to ensure the national transfer scheme was mandatory and not initiated on a voluntary basis. Though some local authorities had come forward, it was important for others to take up the additional costs that came with supporting young people and to share the cost. Croydon needed to ensure that local authorities were signed up to help on a mandatory basis, to ensure Croydon would be in a better financial position moving forward.

Members acknowledged that the financial impact of supporting UASC needed to be treated seriously and with more certainty. It was reassuring that the presentation indicated this was the case, though until the proposed mitigation had been agreed it was clear that costs needed to be carefully managed.

Members asked about the mitigation that was within the Council's control, in particular how the service was progressing in the short term against these mitigations. The mitigation in question was (i) undertaking human rights assessments for care leavers who were Appeal Rights Exhausted; and (ii) the continued use of the pan London rota to place 16-18 young people with partner local authorities. Members also questioned whether the Council was accepting the unfair share of costs for the foreseeable future and the challenges faced.

There were comments from Members who felt that due to compassionate grounds, the financial burden on the borough had contributed towards Croydon's current financial situation. Members were keen to know why only now progress was being made, when this had been a risk for so many years. It was also a question whether there was more that could be achieved on the compassionate side, such as widening the support network using councillors to help provide support within communities more holistically. Further, there were comments on the pandemic and Brexit impact and the current reduction on migration flows and whether this trend would change in the future.

Senior officers responded to the questions and comments raised and had confirmed that there was no doubt that increased expectation for other local authorities to take more than 0.07% was due to pressure from Croydon. There was also a considerable amount of dependence on Croydon as Lunar House (Home Office) was in the borough with the accompanying expertise that services had to offer.

Officers advised that it was far too soon to judge whether Brexit would have an impact, although once the pandemic was lifted there was a possibility more young people would enter into the care system. With regards to the financial impact, officers advised that there was a proposed sum set aside for unaccompanied asylum seeking young people in the budget for the



forthcoming year. The figures highlighted were disproportionate when compared to those for other local authorities.

With regards to the points raised in the RIPI, which focussed on where the service could secure more efficiencies, it was confirmed that all unaccompanied asylum seeking young people who entered into the care system would have the same rights and responsibility. The services' responsibilities towards them would be the same as for all looked after children, thus improving the commissioning of placements. There was work underway to recruit more foster carers, which would make a difference as the current cost base was too high overall.

In relation to questions raised about the mitigation used to date, a detailed update was provided. It was confirmed that in February 2021 there was fifty social workers who had been trained in the specific skills required to undertake the human rights assessments to ensure fair, balanced, legal and ethical matters were adhered to, as the young people were subject to legal challenge. The identification of young people who had exhausted their appeal rights required a cross-examination with the Home Office to ensure the information provided was accurate and that the young person had indeed exhausted their appeal rights.

In late February, the first twenty young people were identified and their personal advisors, who are non-social workers within the Leaving Care Team, worked with them to update their pathway plan and explain their situation to ease their fear and anxiety. It was important to reassure young people and continue with a compassionate, relationship based practice. Further in the timeline, in the first week of March the first ten assessments commenced, having prepared the young people. There were specialist social workers in the Age Assessment Team to focus on these young people aged 18 to 21, and specialist social workers in the Leaving Care Service to focus on young adults aged 21 to 25. The timescale for completion of these assessments was twenty-eight days, assuming the background work had been completed. This action plan led by the service manager would ensure the process was tracked and delivered.

Members welcomed the response and noted that they would like to see changes made to the risk register, in order to track and analyse progress made.

Members discussed the ongoing review of the Council's finances and the challenges faced. There were questions raised by Members about those young people whose rights of appeal had been exhausted. These included whether there was a straightforward process for those young people who were over the age of 18 and transferred back to the Home Office for support and whether there was any financial impact on the Council for that process. Officers confirmed that there was a team within the Home Office that worked with families and there could be difficulties with individuals concerned if they were settled in particular accommodation. Although there was no additional financial impact to a local authority from transferring to the Home Office, it

was more of the relationship based work with partners that needed to be transparent once a decision was made.

Members questioned the £10 million received from central government, in particular whether the money had helped to alleviate this situation. Officers noted that there had been a number of short-term initiatives that the government had promoted to provide support. The service was trying to maximise these bids to help ease some of the current pressures. The service had received £4 million, as a result of the increased numbers of young people in the borough and the increased rates. The Cabinet Member for Children, Young People & Learning clarified that the money received from central government was a £4 million contribution and not £10 million. She added in support to the comments made by officers that with the level of disproportionality in terms of the number of care leavers in the borough, the £4 million was not sufficient to cover the cost of money already spent as the disproportionality was so high. The government had increased grants in particular areas and specialities, though this was across the whole country.

Members wanted to hear about the role of the Cabinet Member for Children, Young People & Learning to influence politically and their contribution to policy development or advocacy meetings. Further information was also requested on what communications would be happening and how the Council would get specific and tangible targets to drive forward. The Cabinet Member for Children, Young People & Learning responded that some of it would be based on the service's statutory responsibilities and the legalities that came with that. Discussions had taken place with leaders of the Council and at London Councils for additional support from boroughs. Meetings with the Home Office and other discussion around statutory obligations to include funding had also taken place.

In terms of the tangible political efforts in the year ahead, the monitoring of costs to ensure they were not increasing was key. Though the Council could no longer continue to disproportionately support UASC, the Council was mindful of the vulnerability of these young people and the sensitivity around this matter. At the same time, the current financial position of the Council must be monitored; as such a decision had already been taken around the appeal rights exhausted, and that was reflected in the upcoming budget, concluding that the Council would no longer continue to provide support in the way it previously had.

Further questions from the Members related to whether the Children's Commissioner had been involved in discussions as the service had significant unmet need risks as a result of underfunding. The Cabinet Member for Children, Young People & Learning confirmed that the service continued to have discussions which had already been mentioned, though the decision must come nationally to provide support. Officers added that the Commissioner in the past has had involvement in discussions. There were also many groups advocating for these young people, who were residents in Croydon. The national transfer scheme would make a big difference, although this was not an easy push as other local and port authorities experienced

similar pressures and continued to support families with no recourse to public funds.

With further discussions relating to the control of the financial situation and the national transfer scheme, Members welcomed the £4 million received. Although it was emphasised that the risk register should reflect that the service was unlikely to provide lots of mitigation in the short term and the focus was on what could be controlled in improving the situation. It was also queried whether a published tangible lobbying strategy plan was available. The Cabinet Member for Children, Young People & Learning reassured the Committee that there had been previous involvement from senior lead officers in the agreement of the increase to the percentage of the national transfer scheme to 0.07%. Through discussions the service wanted to implement a mandatory national transfer scheme to help with the disproportionate level of UASC Croydon was supporting. Senior officers added that the national transfer scheme would help achieve a long term solution, and current work towards this had made a considerable difference to Croydon as there was more equitable distribution of young people around the London authorities. Lobbying would take time to have an effect and thus service needed a strong approach to meet children's needs in ensuring that they had a fair response from the nation to the children.

There were comments from Members in regards to young people who would be dispersed across various parts of the country, alienated from those of their heritage background or who may not have community support, and whether this had been reviewed or addressed in the national strategy. Officers confirmed that a number of authorities would not encourage young people to be placed in their areas without support. As a corporate parenting authority, there was responsibility to all young people to ensure that they had various support.

The Cabinet Member for Children, Young People & Learning thanked the service for their work and congratulated young people who had been in the care of Croydon and had moved on to achieve scholarships in Oxford and Cambridge and paid tribute to staff for their support and expertise.

The Chair thanked the Cabinet Member for Children, Young People & Learning and all officers for their presentation.

65/21 **Exclusion of Public and Press**

This was not required.

The meeting ended at 7:23pm

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**Signed:**

**Date:** .....

<b>REPORT TO:</b>	<b>GENERAL PURPOSES AND AUDIT COMMITTEE</b> 16 September 2021
<b>SUBJECT:</b>	<b>Recruitment and appointment of independent Chair of General Purposes and Audit Committee (GPAC)</b>
<b>LEAD OFFICER:</b>	<b>Asmat Hussain, Executive Director of Resources and Monitoring Officer (Interim)</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/ POLICY CONTEXT:</b>	
The appointment of an independent Chair of General Purposes and Audit Committee is in response to a recommendation of the non-statutory rapid review and as such forms part of the Croydon Renewal Plan.	
<b>FINANCIAL IMPACT</b>	
The cost of allowance payments to the Independent Chair will be contained within existing revenue budgets.	

<p><b>RECOMMENDATION</b></p> <p>General Purposes and Audit Committee is recommended to:</p> <ol style="list-style-type: none"> <li>1. Note the contents of this report</li> <li>2. Agree to recommend to Full Council the approach to arrangements for the two current non-voting members of GPAC – either:             <ul style="list-style-type: none"> <li>• Option A: To replace current provision for two independent co-opted members with a requirement for one independent co-opted member, in the form of the Chair. The term of office for the current two members will terminate following a decision of Full Council to make the necessary changes to the Constitution to implement the new arrangements.</li> </ul> <p style="margin-left: 20px;">or</p> <ul style="list-style-type: none"> <li>• Option B: To retain one independent co-opted member alongside the independent Chair, with effect from a decision of Full Council to implement the new arrangements.</li> </ul> </li> <li>3. Endorse the proposed changes to the Constitution set out in section 4.</li> </ol>
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## 1. EXECUTIVE SUMMARY

- 1.1 This report updates the Committee on the process taken to recruit an appropriately skilled Independent Chair for the Committee, following the

decision by Full Council in May that a recruitment process should be commenced.

- 1.2 Following interviews on 20 September, it is proposed to bring a proposal to appoint to Full Council on 11 October. Proposals to change the Constitution to enable the appointment and other related adjustments will be made as part of a wider set of proposals for constitutional changes.

## **2. BACKGROUND**

- 2.1 The non-statutory rapid review recommended that the Council give consideration to appointing a Chair from outside the majority group to its General Purposes and Audit Committee. Full Council, at its meeting on 8 March, heard from the Leader, Cllr Hamida Ali, that consideration was being given to the appointment of an independent Chair.
- 2.2 Subsequently, Full Council, at its meeting of 4 May, delegated authority to the Executive Director of Resources and (then) Deputy Monitoring Officer, with the Director of Finance, Investment and Risk and s151 officer, to take necessary actions to commence a recruitment process for an independent Chair of GPAC, including:
  - Preparation of a role profile including the proposed level of remuneration
  - Establishment of a Member-led recruitment and selection process for the recruitment and formal appointment of the Chair.
- 2.3 Council required a further report to its July meeting to update Members on progress and seek approval for the necessary changes to the Constitution to enable an Independent Chair to be formally appointed to GPAC. Due to a delay in the search for potential candidates and other work commitments and priorities, no report was made to the July meeting.

## **3. UPDATE ON RECRUITMENT PROCESS**

- 3.1 The Constitution has no provision within it for the recruitment of an Independent Chair of GPAC. In light of the unique nature and significance of the role, and in accordance with the delegation to her, the Interim Executive Director of Resources and (then) Deputy Monitoring Officer in consultation with the Director of Finance, Investment and Risk and s151 Officer considered that it was appropriate to use the Appointments Committee to shortlist and interview candidates and to make a recommendation to Full Council, not least as it had been indicated to Council in May that the recruitment and selection process would reflect practices used by Appointments Committee in recruiting senior staff.
- 3.2 The Chair will be a non-voting member of the Committee. The recruitment process and contractual terms for the Independent Chair mirror previous recruitment processes for independent members of GPAC (who are co-opted, non-voting members) in the following ways:
  - Co-opted members may not be either members or officers of the Council;

- The vacancy may be advertised on the Council's website or more widely if considered beneficial;
- In making recommendations for appointment, the Appointments Committee will be mindful of any potential conflicts of interest between the co-opted member's paid employment and their role on the Committee;
- Co-opted members may be disqualified during their term of office if they do not attend three consecutive meetings of the committee or if they are elected a Member of the Council or become an officer. It is the responsibility of the co-opted member to inform the Council if a circumstance arises which they believe would disqualify them from membership. They may resign during their term of office.
- Co-opted members are required to comply with the Code of Conduct for Co-opted Members: failure to do so may lead to their appointment being terminated.
- The role and duties of a co-opted member are:
  - Be expected to attend all meetings of the Committee to which they have been appointed and read the agenda papers
  - Bring an external perspective to the work of the Committee by utilising their knowledge and experience
  - Be expected to represent the whole community and not just one sector or viewpoint
  - Act independently of party politics and lobbying interests
  - Be expected to treat other Committee Members, officers and external parties with respect
  - Comply with the Committee procedure rules, rules of debate and the Code of Conduct for Co-optees
  - Be required to recognise that they may encounter sensitive information and to act with discretion and keep any confidential information confidential.

3.3 No offer of appointment will be made to anyone who would be disqualified from being a Member of the Council.

3.4 The Council commissioned Starfish, via the Adecco agency framework, to run the executive search and recruitment process. Starfish have a strong track record of recruiting to 'Chair' roles of this nature. The opportunity was advertised on the Council's website, on Starfish's own website and on LinkedIn. In the search process Starfish contacted over 100 individuals, with a particular focus on the public and not for profit sectors: those targeted were financially astute and at executive level, and were mainly already in Non-Executive Director roles. A targeted search was also carried out within the community of interim s151 officers. The executive search process was carried out on a national basis: additionally, the role was highlighted within Croydon's voluntary and community sector.

3.5 The person specification for the Independent Chair included:

- Appropriate financial training and experience, ideally as a qualified accountant;
- Detailed knowledge and experience of internal control and audit standards in a large, multi-disciplinary organisation, ideally local government/ health;
- Experience of operating within a formal risk management framework;

- Experience of chairing high level meetings to achieve effective outcomes, ideally experience of chairing Audit Committees;
- Evidence of having worked at least 10 years at a senior level;
- Able to demonstrate the ability to develop and manage a good working relationship with politicians and senior managers;
- Ability to manage and present information to groups in politically sensitive environments and to work effectively with colleagues who may have different levels of experience and understanding;
- Able to demonstrate influencing and consensus building skills;
- Assertive in pursuing the correct course of action;
- Enthusiastic, not easily deterred & able to convey enthusiasm to others;
- Committed to excellent public services;
- Understanding and commitment to promoting equality of opportunity in service delivery with an understanding of the issues underpinning these values.

3.6 The role requires up to 9 days per year and the appointment is for an initial 4-year term. The remuneration will be £8,000 per year, which is slightly less than the current Chair's allowance, and therefore is consistent with recommendations of the Independent Panel on the Remuneration of Councillors in London (the Panel makes no reference to payments to co-optees).

3.7 The Appointments Committee was convened with the following membership:

- Cllr Hamida Ali
- Cllr Stuart King
- Cllr Joy Prince
- Cllr Callton Young
- Cllr Jason Cummings
- Cllr Stuart Millson

The Committee was supported by the Executive Director of Resources and Monitoring Officer (interim), the Assistant Chief Executive (interim), the Director of Finance Investment and Risk (interim - Richard Ennis) and the Head of HR - Resources.

3.8 Appointments Committee met on 17 August and four candidates were shortlisted who have the relevant skills and experience. Interviews will take place on 20 September and GPAC members will be advised of the outcome.

3.9 General Purposes and Audit Committee is asked to consider arrangements for the two current independent co-opted members of the Committee. The report to Council in May stated that the proposal is 'to end the current arrangements for the two independent, non-voting co-opted members of GPAC' and that it would be necessary to 'agree the ongoing role of existing co-opted members on the committee'. The following options are proposed:

- Option A: To replace current provision for two independent co-opted members with a requirement for one independent co-opted member, in the form of the Chair. The term of office for the current two members will terminate with effect from the Full Council meeting on 11 October.



or

- Option B: To retain one independent co-opted member alongside the independent Chair, with effect from the Full Council meeting on 11 October.

#### **4. AMENDMENTS TO CONSTITUTION**

- 4.1 Subject to the views of this Committee, a report to Full Council on 11 October will include a recommendation that appropriate changes are made to the constitution to enable the appointment of the Independent Chair and all associated changes to terms of reference.
- 4.2 The proposed changes will ensure that the Council's arrangements are consistent with the requirements of section 102(1) of the Local Government Act which enables the appointment of co-optees only to committees which do not have a role in regulating and controlling the finance of the local authority.
- 4.3 Changes will be proposed to the following sections of the constitution:
- i) Article 8 – amend GPAC membership to add the independent Chair and reflect the Committee's recommendation on the ongoing role of co-opted members.
  - ii) Part 3 – Responsibility for Functions, s2.1 – amend Appointments Committee terms of reference to include responsibility for recommendation of the appointment of co-opted Members to Full Council where the role attracts remuneration.
  - iii) Part 3 – Responsibility for Functions, 2.3 – amend GPAC membership to add the independent Chair and reflect the Committee's recommendation on the ongoing role of co-opted members and clarification of arrangements for decisions on non-audit functions.
  - iv) Part 4F- Non-Executive Committee procedure rules, s2.3 – amend to except GPAC from arrangements for annual appointment of Chair and include requirement for external advertisement on a four-yearly cycle.
  - v) Part 6A - Scheme of Members' Allowances Appendix B – add allowance payable to Independent Chair (a slight reduction to the previous allowance for the Chair).
  - vi) Part 6D- scheme of co-option, s6.1 – amend to reflect revised arrangement for independent co-opted Members on the Committee to include the independent Chair and arrangements for their appointment, and reflect the Committee's recommendation on the ongoing role of co-opted members.
- 4.4 The Non-Executive Committee procedure rules currently include a requirement that GPAC appoint a Vice Chair for the duration of the Council year. It is proposed, subject to discussion with the successful candidate for Chair of the Committee, that the Committee elect a Vice Chair within its own membership, with no limitations on their power to act in the absence of the Chair. It is not

proposed that the role of Vice Chair will receive a Special Responsibility Allowance.

- 4.5 Additionally, as part of the wider review of the Constitution, if Council adopts the revised member code of conduct which appears elsewhere on this agenda, consideration will be given as to whether to bring the code of conduct for co-opted (non-voting) members into alignment with the new code of conduct for members.

## **5. CONSULTATION**

- 5.1 The Interim Executive Director of Resources and Monitoring Officer consulted with the Interim Director of Finance, Investment and Risk and the Assistant Chief Executive to inform the preparation of the job description and person specification for the role of Independent Chair.

## **6. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 6.1 The cost of allowance payments to the Independent Chair will be contained within existing revenue budgets.

Approved by: Matthew Davis, Deputy s151 officer

## **7. LEGAL CONSIDERATIONS**

- 7.1 The Head of Litigation and Corporate Law comments on behalf of the Interim Director of Law and Governance and Deputy Monitoring Officer that the power to co-opt persons who are not councillors onto committees appointed by the Council, under section 102(1) of the Local Government Act 1972 ("the 1972 Act", is set out in section 102(3) of the 1972 Act. A committee appointed under Section 101 of the 1972 Act, other than a committee for regulating and controlling the finance of the local authority or of their area, may, subject to section 104 of the 1972 Act, include persons who are not members of the appointing authority.
- 7.3 Section 104 of the 1972 Act will apply to any proposed appointment under Section 102(3) above and provides that a person who is disqualified under Part V of the 1972 Act from being elected or being a member of a local authority shall be disqualified for being a member of a committee (including a sub-committee) of that authority, or being a representative of that authority on a joint committee (including a sub-committee) of the authority and another local authority, whether the committee or joint committee are appointed under this Part of this Act or under any other enactment. Part V of the Act deals, in section 80 with disqualifications from serving as a member of the Council and these requirements are applied to co-optees by virtue of Section 104 so that if any of the circumstances in Section 80 apply (or subsequently apply) to a co-optee, they are disqualified from being a co-optee.

7.4 By virtue of section 13(1) of the Local Government and Housing Act 1989, any co-opted member of a committee appointed under section 102(1) of the 1972 Act shall, for all purposes, be treated as a non-voting member of that committee.

7.5 Co-opted members are required to sign an undertaking to observe the Code of Conduct for Non-Voting Co-opted Members before acting as a co-optee.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Interim Director of Law and Governance and Deputy Monitoring Officer.

## **8. HUMAN RESOURCES IMPACT**

8.1 There are no immediate HR issues arising from this report for Council employees or staff.

Approved by: Gillian Bevan, Head of HR, Resources.

## **9. EQUALITIES IMPACT**

9.1 The post of Independent Chair of GPAC has been advertised within and beyond the borough using channels relevant to potential candidates with the relevant skills and experience. The appointments process is being carried out in compliance with the Council's recruitment and selection policies, to ensure that all candidates are treated fairly.

## **10. ENVIRONMENTAL IMPACT**

10.1 There are no environmental impacts arising from this report.

## **11. CRIME AND DISORDER REDUCTION IMPACT**

11.1 There are no crime and disorder reduction impacts arising from this report.

## **12. DATA PROTECTION IMPLICATIONS**

12.1 There are no data protection implications arising from the content of this report.

Approved by: Asmat Hussain, Executive Director Resources and Monitoring Officer (Interim).

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**CONTACT OFFICER:** Heather Wills, Governance Improvement Adviser;  
[heather.wills@croydon.gov.uk](mailto:heather.wills@croydon.gov.uk)

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<b>REPORT TO:</b>	General Purposes & Audit Committee 16 <sup>th</sup> September 2021
<b>SUBJECT:</b>	<b>Report in the Public Interest – Quarter 2 Update</b>
<b>LEAD OFFICER:</b>	Asmat Hussain, Interim Executive Director of Resources and Monitoring Officer
<b>CABINET MEMBER:</b>	Cllr Hamida Ali, Leader of the Council
<b>WARDS:</b>	<i>All</i>
<b>PUBLIC/EXEMPT:</b>	Public

**SUMMARY OF REPORT:**

The report provides the Quarter 2 update of progress made responding to the Council’s Report in the Public Interest. It gives a high-level summary of actions taken to date informed by updates received across all services in the Council.

**POLICY CONTEXT/AMBITIOUS FOR CROYDON:**

This covering report provides an overview of the work that has been progressed to achieve the recommendations as set out in the Report in the Public Interest. It focuses on the actions that have been progressed since the update that went to Cabinet on the 7<sup>th</sup> June 2021.

The Action Plan for the Report in the Public Interest has been incorporated into the Croydon Renewal Plans and represents one of the 11 programmes of work being delivered.

The action plan covers a wide range of areas including financial management, governance, staff training, assets and budget development all of which are core elements of any strategy to ensure services are delivered responsively with a focus on value for money for our residents.

**FINANCIAL IMPACT:**

This report will have no direct financial impact on the borough as its focus is on updating against the recommendations as accepted by the Council in November 2020. Some of the recommendations implemented will have an attached financial cost. This will be included in the costs of the overall improvement plan being developed for the Council

Any costs incurred previously or in the future to deliver the action plan have or will have gone through the Council’s existing controls to ensure the spend is essential and represents good value for Croydon. Any costs will need to be contained within the existing approved budget for 2021/2022 to ensure Members are sighted.

The external auditor’s costs have totalled £65,000 to date.

## **RECOMMENDATIONS:**

General Purposes & Audit Committee (GPAC) is recommended to:

- 1.1 Note and agree on the progress the Council has made in regard to achieving the recommendations set out by external auditor in the Report in the Public Interest (appendix 1) with 62 out of 99 actions complete;
- 1.2 Note the outcome of the first tranche of work to properly evidence what has been achieved so far following the initial internal audit of actions delivered to provide full assurance to members and residents on the changes achieved;
- 1.3 Agree the Refreshed Action Plan including actions marked complete, progress updates against open actions and identification of actions to be embedded going forward as business as usual;
- 1.4 Agree that the Q.2 Report is to go to Full Council on December 13<sup>th</sup> 2021 in order that progress on the action plan be properly noted by all members.

## **2. EXECUTIVE SUMMARY**

- 2.1 On 23<sup>rd</sup> October 2020 the Council's external auditor, Grant Thornton, issued a Report in the Public Interest (RIPI) concerning the Council's financial position and related governance arrangements. In line with the statutory framework for the RIPI, the Council held an Extraordinary Council meeting on 19<sup>th</sup> November 2020 to discuss the report and the proposed action plan to address it.
- 2.2 The April 12<sup>th</sup> update, approved by Cabinet, provided a comprehensive progress update across all recommendations and also agreed the refreshed RIPI Action Plan having incorporated views from both the Scrutiny and Overview Committee (SOC) and General Purposes and Audit Committee (GPAC). This was then updated with the first quarterly update which went to Cabinet on the 7<sup>th</sup> June, GPAC on the 10<sup>th</sup> June and SOC on the 15<sup>th</sup> June. This report noted that the Council had completed 55/99 actions in the RIPI Action Plan and provided progress updates against all remaining actions.
- 2.3 This covering report represents the second quarterly update on the RIPI response based on activity this financial year. It focuses on actions that were set to be complete by close of June, July and August 2021, as well as updating against actions set to be delivered by the end of September 2021.
- 2.4 Section 5 of this report provides feedback on the outcome of the Internal Audit to date focusing on the 35 actions marked complete in the April 12<sup>th</sup> Cabinet report. It notes where some concerns have been identified in that round of reporting and outlines the mitigating actions that are being undertaken to resolve these.

### 3. HIGH-LEVEL UPDATE ON THE ACTION PLAN

3.1 Statistics on the number of actions complete and outstanding are below. Full detail can be seen in appendix 1.

Number of actions	Number of actions completed	Number of actions outstanding
99	62	37

3.2 The Council has delivered 62 actions to date with 10 completed since the June 7<sup>th</sup> Cabinet Quarter 1 Update. Progress updates have been provided against a further 33 actions. The Council has re-opened 3 actions (see 3.6 section 5).

3.3 The Action Plan recognises that not every action can be marked “complete” and left. In some cases, actions will need to be embedded into business as usual (BAU) processes before being marked complete. Additionally, a number of the actions are representative of aspects of systemic and cultural shifts that will need to be continued going forward to embed sustained positive change and good practice. Some of these actions will remain open as the Council acknowledges that achieving the desired outcome will be a long-term process (e.g. co-creating a working environment that respects and values all our staff and take positive action to ensure that this is the case” LBC 4 – IV). The Council is therefore committed to providing updates in further quarterly reports against these.

3.4 A further 2 actions are set to be finalised by the end of September. Progress updates are provided against all of these and all other outstanding actions in Appendix 1.

3.5 On review, recommendation LBC 2 – ii has been re-opened as whilst progress was made the full review and connected training stated in the action plan has not yet been fully delivered.

3.6 The Council recognises it must continue to push to deliver and progress the 37 outstanding actions to ensure momentum is not lost and that the Council’s response to the RIPI achieves the critical organisational change necessary.

3.7 The table below sets out the actions identified as high priority by the external auditor with a RAG rating.

High Priority Action	Actions Completed/Total Actions	Rag
R1a Children’s Social Care	5/5 Marked complete in 7 <sup>th</sup> June Quarter 1 Update	

R1b Adult Social Care	9/9 (was 8/9 per Q1 Update)	The outstanding action on training on the ASC Budget has now been completed. This was handled via a briefing to Members of the Health & Social Care Sub-Committee in June 2021.
R2 Adequacy of Council Reserves	2/4	The aspects of this recommendation as set by the External Auditor have been completed.  The 2 outstanding actions relate to Member training and assuring SOC on budget delivery. These have both been progressed with updates promised in future quarterly reports.
R3 Use of Transformation Funding	1/2	The aspects of this recommendation as set by the External Auditor have been completed.  The outstanding action relates to the offer and delivery of training to members. A training offer has been approved by the Member & Learning Development Committee on the 13 <sup>th</sup> July.
R9 Budget Challenge/Rigour	5/5 – Marked complete in 12 <sup>th</sup> April Update	
R12 Revolving Investment Fund	3/3 – Marked complete in 12 <sup>th</sup> April Update	
R14 Treasury Management	2/2– Marked complete in 12 <sup>th</sup> April Update	
R18 Ongoing investment in Brick by Brick	1/1– Marked complete in 12 <sup>th</sup> April Update	



R20 Governance of subsidiaries	4/9  (was 0/9 in June Quarter 1 Update)	<p>Following Cabinet approval of the July 26<sup>th</sup> “Governance of Croydon Council Companies” Paper, The Croydon Companies’ Supervision and Monitoring Panel (CCSMP) has been set up. Its role is to ensure the Council’s strategic and good governance objectives are met across the Council’s subsidiaries.</p> <p>Through the introduction of this Panel, several actions have been completed that relate to ensuring good governance mechanisms to monitor and regulate the handling of Council companies have been introduced. The group will continue to deliver against these actions as BAU.</p> <p>The outstanding actions related to constitutional changes and training have been progressed, details of which can be seen in Appendix 1 and in section 4 below.</p>

3.8 To ensure alignment with the wider Croydon Renewal Plan activities the following criteria were utilised as developed by the PMO Steering Group.

Rag Definitions used:

Green - no known challenges to delivery

Amber – Challenges to delivery identified with mitigations in place/planned

Red - Challenges to delivery identified with no resolution identified

#### 4. KEY MILESTONES ACHIEVED THIS UPDATE

4.1 A comprehensive summary of actions taken to date across all recommendations is contained within the refreshed action plan in appendix 1. This section provides some additional information on key achievements delivered since the Quarter 1 Update in June.

4.2 At the July 26<sup>th</sup> Cabinet, recommendations were given on the Governance of Croydon’s Companies. These recommendations were informed by the actions of a working group who had engaged with relevant officers and directors of company boards. It was agreed by Cabinet to introduce the CCSMP to ensure

the Council's strategic and good governance objectives and values are met across the Council's subsidiaries. Alongside the Panel itself, approval was given for an attached Terms of Reference to inform the running of the group and embed principles of good governance. In doing so, the Council has put in place appropriate governance mechanisms to achieve the remaining outstanding actions as set out in Recommendation 20, including a provisional process to bring regular updates to Cabinet.

- 4.3 The Council has been working with the Centre for Governance and Scrutiny to develop new ways of working for scrutiny in response to the Scrutiny Improvement Review and recommendations relating to scrutiny in the RIPI. On 7<sup>th</sup> September, the SOC is set to agree new systems to bring focus and prioritisation to their work. This approach will be supported by member and officer training and a more targeted system for sharing information with councillors.
- 4.4 An outline training programme for all members was approved by the Members Learning & Development Panel on July 13<sup>th</sup> 2021. In developing this programme the Council considered the RIPI Action Plan to ensure all topics were included. Work is now being progressed to properly schedule and develop the training sessions with the view of delivery by March 2022 for all outstanding items. Work is also underway to plan a full induction training programme for Members elected in May 2022.
- 4.5 Alongside embedding the Guardians Programme detailed in the previous update, the Council has implemented a series of monthly Tea Talks to provide staff a means to share experiences and discuss sensitive issues in a safe space. Following the conference and additional staff roadshows held Spring 2021, further engagement events with staff are expected for Autumn 2021 to provide an update on the Croydon Renewal Plan and underline and continue to promote positive systemic and cultural changes. The Council is committed to creating a positive culture for all and continues to recognise it will take time to build staff trust and confidence.
- 4.6 At July 12<sup>th</sup> Cabinet, recommendations were approved to reject a purchase offer for Brick by Brick (BBB) and agree a modified build out scenario of 23 sites. Alongside this, important governance arrangements were agreed to ensure the Council maintains clear oversight of progress made. The Council will receive updates on BBB's financial position, sales, contractual issues and other relevant matters monthly. Summary updates on these will go to Cabinet on a quarterly basis with the first scheduled provisionally for November 2021.

## 5. **PROGRESS UPDATE ON INTERNAL AUDIT**

- 5.1 To provide additional assurance on the delivery of the RIPI Action Plan as reported, Internal Audit was requested to review completed actions to confirm these had been actioned as reported and that, where appropriate, these now formed part of the Council's governance framework (appendix 2). For the initial review, the 35 actions marked complete as at the 12<sup>th</sup> April 2021 Cabinet report, were reviewed.

- 5.2 Internal Audit assurance was obtained through a combination of corroborative enquiry, examination of relevant documents (including meeting minutes) and interrogation of computer applications.
- 5.3 Internal Audit have confirmed that all reported completed actions were complete and where appropriate, these now formed part of the Council's governance framework, except for:
- 3 actions, which although significantly progressed were not fully actioned
  - 1 action, which was still in progress.
- 5.4 Detail of the actions not fully completed can be seen in Appendix 2. Where relevant, scheduling on the Forward Plan has now taken place to ensure items go to all meetings as required. These items have been left marked as complete. 2 actions (13ii and 11iv) have been re-opened to allow for future updates.
- 5.5 Following their review, Internal Audit have noted that the high priority actions marked complete have been delivered as stated with no further comment or amendments suggested.
- 5.6 Internal Audit will continue to review evidence of progress captured in the RIPI action plan to give reasonable assurance that actions have been completed as expected and communicated. The RIPI Quarter 3 Update is aiming to share Internal Audit findings for actions marked complete as of this Quarter 2 Update.

## **6. FUTURE UPDATES ON THE REPORT IN THE PUBLIC INTEREST**

- 6.1 The RIPI action plan has been incorporated into the wider Croydon Renewal Plan and forms 1 of the 11 programmes of work aiming to support the Council's financial recovery, improve governance arrangements and drive operational improvement. The Croydon Renewal Plan currently consists of nearly 400 recommendations which are to be delivered within the next 4-5 years.
- 6.2 Per the action plan (appendix 1), quarterly RIPI updates are to be provided to GPAC, SOC, Council and Cabinet. This update will be presented directly to SOC on the 7<sup>th</sup> September, GPAC on the 16<sup>th</sup> September, Cabinet on the 18<sup>th</sup> October and Full Council on the 13<sup>th</sup> December.
- 6.3 The dates for the remaining updates this financial year are in the table shown below

<b>RIPI Update Report</b>	<b>SOC</b>	<b>Cabinet Date</b>	<b>Full Council</b>	<b>GPAC</b>
Q.3 Update	8 <sup>th</sup> February	24 <sup>th</sup> January	31 <sup>st</sup> January	3 <sup>rd</sup> Feb
Q.4 Update	29 <sup>th</sup> March	21 <sup>st</sup> March	28 <sup>th</sup> March	3 <sup>rd</sup> March

- 6.4 The previous Quarter 1 Update referred to the intention to review the RIPI's reporting to minimise duplication across the 4 meetings. Following review, it has been determined to continue reporting across GPAC, SOC, Cabinet and Full Council to ensure that all Members have opportunity to be briefed on the

Council's RIPI Action Plan delivery progress and provide a chance for all Members to query the updates provided.

## **7. CONSULTATION**

- 7.1 The action plan has been previously reviewed by both GPAC and the SOC who made recommendations to enhance what was being progressed. These changes were approved by Cabinet on 12<sup>th</sup> April 2021. Services have been directly engaged with to ensure updates were recorded accurately and contained the most up to date information.

## **8. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 8.1 To date, the external auditor's costs have totalled £65,000 as updated in the April 12<sup>th</sup> Cabinet paper and June Quarter 1 Update.
- 8.2 The Council is working to deliver the overarching improvement plan, of which the RIPI action plan forms a key part. Costs will be incurred delivering many of the actions contained within the plan and these will be presented to Members as the Council's Improvement Journey progresses. Any costs will need to be contained within existing budget provisions.

Approved by: Richard Ennis, Interim Director of Finance, Investment and Risk and S151 Officer

## **9. LEGAL CONSIDERATIONS**

- 9.1 The Report in the Public Interest ("the Report") dated 23 October 2020 was issued under the provisions of the Local Audit and Accountability Act 2014 ("the Act"). The Council must comply with the requirements of the Act in responding to the Report.
- 9.2 Under the provisions of paragraph 5(5) and (6) of Schedule 7 to the Act, the Council must decide within one month whether the Report requires the authority to take any action or whether the recommendations are to be accepted. It must also decide what, if any, action is to be taken in response to the Report and its recommendations. The Report was considered at the Council meeting on 19 November when all of the Report's recommendations R1 – R20 and additional recommendations LBC1 – LBC3 was agreed together with an Action Plan in response to each of the recommendations. A further recommendation LBC4 was added following additional consultation. Paragraph 7 goes on to provide that the authority's functions under paragraph 5 are not to be the responsibility of the executive.
- 9.3 Paragraph 10(1) of the Act provides that after considering the Report and its response to it, the Council must notify the external auditor of its decisions, and publish a notice on its website containing a summary of those decisions which has been approved by the external auditor.

- 9.4 At the time of writing this report, all of the relevant requirements of the Act have been complied with.
- 9.5 Any additional legal considerations arising from individual workstreams will be assessed as projects and actions come forward.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law Deputy Monitoring Officer

## **10. HUMAN RESOURCES IMPACT**

- 10.1 No human resource impacts are arising directly from the recommendations in this report. However, there will be impacts associated with the delivery of the improvement plan. The improvement plan is part of a range of measures relating to improving the Council's financial position and it is inevitable that this will ultimately impact on the Council's workforce when the Council's agreed Human Resources policies and procedures will be followed.
- 10.2 Human resources impacts will be appropriately reported to the relevant decision-making bodies as individual actions from the plan are implemented.

Approved by: Gillian Bevan, Head of HR

## **11. EQUALITIES IMPACT**

- 11.1 There are no equality impacts arising directly from the recommendations in this report. As such, an equality analysis has not been undertaken following the initial response to the external auditor's report. However, there will be impacts associated with the delivery of the improvement plan. The improvement plan is part of a range of measures relating to improving the Council's financial position and it is inevitable that this will ultimately impact on the Council's workforce and the communities it serves.
- 11.2 Consideration will be given as each of the individual actions included in the Action Plan are implemented as to whether they are relevant to equalities and will require an equalities impact assessment undertaken to ascertain the potential impact on vulnerable groups and groups that share protected characteristics.
- 11.3 Any improvements to governance that arise from the implementation of the recommendations in the action must pay due regard to ensuring that all residents in Croydon are able to understand the actions the Council takes in their name, the decisions it makes to spend resources on their behalf, and who is accountable for that action.
- 11.4 Close attention will need to be paid to ensure the Council is as transparent as possible and is as open and engaging with all its local communities through this process of improvement and afterwards in the new governance practices that are established.

Approved by: Grace Addy, Head of Learning and Organisational Development

**14. ENVIRONMENTAL IMPACT**

14.1 There are no positive or negative impacts on the environment as a result of any of the recommendations of this report.

**15. CRIME AND DISORDER REDUCTION IMPACT**

15.1 There are no implications in this report that would have an impact on crime prevention or reduction.

**16. DATA PROTECTION IMPLICATIONS**

**16.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

**NO**

**16.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

NO, as the report contains no sensitive/personal data

Approved by Asmat Hussain; Interim Executive Director of Resources

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**CONTACT OFFICER:** Henry Butt, Strategic Support Officer to the CEO, 14767

**APPENDICES TO THIS REPORT:** Appendix 1 – RIPI Action Plan  
Appendix 2 – Internal Audit Results

**BACKGROUND DOCUMENTS:** None

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

1. The Council has fully accepted all recommendations made by the external auditor (R1-R20)
2. The Council has added additional recommendations LBC1-4.
3. There are 9 high priority recommendations from the external auditor for the Council to urgently address:
4. Actions marked as “GPAC/SOC” recommendation came from their input following consultation carried out in Dec 2020/Jan 2021

<b>High Priority Actions</b>	<b>High Priority Actions</b>
R1a Children’s Social Care	R12 Revolving Investment Fund
R1b Adult Social Care	R14 Treasury Management
R2 Adequacy of Council Reserves	R18 Ongoing investment in Brick by Brick
R3 Use of Transformation Funding	R20 Governance of subsidiaries
R9 Budget Challenge/Rigour	

A note has been made against actions that do not represent “one-off” measures but instead represent actions, principles and values that should be continually delivered or established as repeating tasks. These actions will be marked as Business as Usual (BAU) in the “Status/Updated Deadline” column.

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

### Overall accountability for the action plan rests with the Chief Executive

<b>Recommendation 1a – HIGH PRIORITY</b>			
The Executive Director Children Families and Education needs to address the underlying causes of social care overspends in children’s social care and take effective action to manage both the demand and the resulting cost pressures.			
<b>Cabinet Member Accountability:</b> Councillor Flemming, Cabinet Member for Children, Young People and Learning			
<b>Action</b>	<b>Progress made to date</b>	<b>Status/Updated Deadline</b>	<b>Accountability</b>
i) Develop a strategy for managing demand and expected impact / outcome and set up panels to manage activity and cost: <ul style="list-style-type: none"> <li>- Weekly care panel to divert children from care</li> <li>- Bi-weekly Children Looked After review panel to identify children who can be supported to be reunited with families from care, and to systematically review higher cost placements</li> </ul>	<p>The Care Panel was established in February 2021. Outcomes from the care panel &amp; new entries to care are monitored weekly at DLT.</p> <p>To build on this work further process maps are being refreshed to formalise challenge, authorisation and decision making for children in care or at risk of care. A scoping workshop to enhance multi-agency partnership provision has also been delivered in March 2021.</p>	COMPLETE – Embedded into BAU	Interim Director, Early Help and Children’s Social Care
ii) Develop a monthly Corporate Finance, Performance and Risk report to progress, track and measure activity. Specifically for Children’s social care, this will monitor the effectiveness of actions to reduce the number of local children in care. <p style="margin-top: 10px;">This progress report will bring together data on the monthly movement in numbers of children in care, the achievement of care outcomes, the financial impact</p>	<p>The June 7<sup>th</sup> Corporate Finance, performance &amp; Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p>	COMPLETE – Embedded into BAU with updates to Cabinet monthly	Interim Executive Director, Children Families and Education to ensure accurate data incorporated into monthly Performance reporting.



## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<p>including full year forecast, and benchmarking against best practice.</p>	<p>The monthly reports will develop over time as recommendations are progressed.</p>		
<p>iii) The progress report will be routinely presented to the Children's Improvement Board, Executive Leadership Team, Cabinet, General Purposes and Audit Committee and Scrutiny &amp; Overview Committee which will bring a greater level of control and transparency (see Recommendation 5 which will also be incorporated into this process). The first report to members will be accompanied by detail outlining the statutory and non-statutory areas of service and the impact of demand management across the service.</p>	<p>The Corporate Finance, Performance and Risk report will provide an update on improvement actions across the Council including Children's. (1a-ii)</p> <p>Training will be offered to members on the nature of statutory and non-statutory service (See LBC3 – i)</p>	<p>COMPLETE – Embedded into BAU with updates to Cabinet monthly</p> <p>Training offer to be picked up under Recommendation LBC-3</p>	<p>Interim Executive Director, Children Families and Education to ensure accurate data incorporated into monthly Performance reporting.</p>
<p>iv) Secure independent external challenge through the Partners in Practice programme to enable valid judgements to be made about the correct level of funding to meet the needs of Croydon's children in care.</p>	<p>Report from LB Camden received under Partners in Practice Programme – December 2020</p> <p>Independent Financial Adviser commissioned by the DFE to provide expert challenge and support commenced on 22/2/21 for a period of 9 months.</p>	<p>COMPLETE</p> <p>Ongoing support until November 2021</p>	<p>Interim Executive Director, Children Families and Education</p>
<p>v) Data set used to inform progress report to be collated, updated and shared with GPAC to allow members to monitor progress on managing demand within social care.</p>	<p>Dataset developed and being progressed further.</p> <p>The Corporate Finance, Performance and Risk report draws upon this data and provides GPAC with the relevant information per this action.</p>	<p>COMPLETE - Embedded into BAU</p>	<p>Interim Executive Director, Children Families and Education</p>

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<b>Recommendation 1b – HIGH PRIORITY</b> The Executive Director Health, Wellbeing and Adults needs to address the underlying causes of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.			
<b>Cabinet Member Accountability:</b> Councillor Campbell, Cabinet Member for Families, Health and Social Care			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) Commission a diagnostic of spend and opportunities to be carried out by the Local Government Association (LGA) National Care & Health Improvement Adviser Finance and Risks to inform future shape of transformation opportunities.	This was carried out and used during November 2020 to inform development of the Adult Social Care Improvement Plan	COMPLETE	Executive Director Adult Social Care
ii) Review the current service delivery models of adult social care and gateway services to right size the budget and delivery model to benchmark with comparator Councils in relation to population and service outcomes.	Data has been collected which provides benchmarking of Croydon ASC care spend vs other Councils, this was factored in to the Adult Social Care Improvement Plan.  Budget modelling has been agreed for ASC for 21/22 budget. Service modelling forms part of adult's improvement plan.	COMPLETE	Executive Director Adult Social Care
iii) To create a placements board to challenge the Council on current cost of placements, managing demand for new placements and ensuring value for money in procurement of placements	Placements boards have been implemented in the Council to challenge placements and reduce expenditure.  Daily challenge panel has been in place since S114 Notice. All spend is then promoted to the Spend Control Panel, as agreed with then S151 Officer.	COMPLETE - Embedded into BAU	Executive Director Adult Social Care

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

	Placements programme is in place with an agreed scope. Funding also agreed for Care Cubed placements tool agreed at ELT on 8 March 21.		
iv) Use the output from the diagnostic review to remodel financial implications to help shape the Medium Term Financial Strategy (MTFS)	<p>Diagnostic review and benchmarking data has been used to shape the Adult Social Care Improvement plan.</p> <p>Croydon Adults Improvement plan has been fully developed and aligned to budget as signed off at March Cabinet. LBC delivery tracker being updated fortnightly.</p>	COMPLETE	Interim Director of Finance, Investment & Risk
v) Develop a monthly Corporate Finance, Performance and Risk report to progress, track and measure activity. This will include monitoring of the new service delivery model to track progress and challenge effectiveness of the plan.	<p>The June 7<sup>th</sup> Corporate Finance, performance &amp; Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p> <p>The monthly reports will develop over time as recommendations are progressed.</p>	COMPLETE - Embedded into BAU with updates to Cabinet monthly	Executive Director Adult Social Care to ensure accurate data incorporated into monthly Performance reporting.
vi) Progress will be governed by reporting to the Executive Leadership Team, Cabinet, General Purposes and Audit Committee and Scrutiny & Overview Committee which will bring a greater level	The Corporate Finance, Performance and Risk report will provide an update on improvement	COMPLETE – Embedded into BAU	Executive Director Adult Social Care to ensure accurate data incorporated

**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

<p>of control and transparency. The first report to members will be accompanied by detail outlining the statutory and non-statutory areas of service and the impact of demand management across the service.</p>	<p>actions across the Council including HWA's (1b-v).</p> <p>Training will be offered to members on the nature of statutory and non-statutory service (See LBC3 – i)</p>	<p>with updates to Cabinet monthly</p> <p>Training offer to be picked up under Recommendation LBC-3</p>	<p>into monthly Performance reporting.</p>
<p>vii) Ensure that cost of care tool is used effectively to track all case expenditure to improve financial control, identify areas of focus for further improvement and to enable better decision making.</p>	<p>The Cost of Care tool referred to in has been utilised to help accurately forecast its spend to support budget setting, improve financial management and identify opportunities for further savings.</p> <p>A separate tool called CareCubed is in the process of being acquired. It is a benchmarking tool that allows adult social care to acquire an indicative cost of placing an individual aligned with their assessed care and support needs. This indicative amount is then used to aid contract negotiations with providers.</p> <p>The tool has successfully enabled savings in other Council's and will be tested in Croydon over the next 12 months. Training for staff to use tool is in planning.</p>	<p>COMPLETE Embedded into BAU</p>	<p>Executive Director Adult Social Care</p>

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<p>viii) Training to be provided to members to understand the budget for Adult Social Care and share rationale for persistent overspend in service. Training to also inform members on the complex health and care landscape in the borough.</p>	<p>A Training offer has been developed for all members including where appropriate, specific training for committee members. This was approved by the Members Learning &amp; Development Panel on July 13<sup>th</sup> 2021. It has been aligned with the actions in the RIPI action plan to ensure all aspects covered.</p> <p>Training on the Adult Social Care Budget was completed via a briefing to members of the Health &amp; Social Care Sub-committee in June 2021.</p> <p>Training for members will continue to be offered on annual basis as BAU. Consideration will be taken in the future about how and when best to inform on matters relevant to ASC.</p>	<p>COMPLETE</p>	<p>Interim Executive Director of Resources</p>
<p>IX) Data set used to inform progress report to be collated, updated and shared with GPAC to allow members to monitor progress on managing demand within social care</p>	<p>A finance and performance workstream has been established and meets fortnightly. The key objectives for this workstream are to ensure dashboards are developed to enable the senior management team to track activity against the benchmarking</p>	<p>COMPLETE Embedded into BAU with updates to Cabinet monthly</p>	<p>Executive Director Adult Social Care to ensure accurate data incorporated into monthly Performance reporting.</p>

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	<p>forecasts set out in the adults improvement plan; and against the move towards both London (younger adults) and England (older adults) averages.</p> <p>Bettergov have been commissioned to help finalise dashboard and benchmarking modelling. 2 dashboards are to be utilised one focused on activity which is complete and another on finances which is in development.</p> <p>The MTFS tracker is currently updated weekly.</p> <p>The Corporate Finance, Performance and Risk report draws upon this data and provides GPAC with the relevant information per this action.</p>		
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## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<b>Recommendation 2 – HIGH PRIORITY</b> The Council (including Cabinet and Scrutiny and Overview Committee) should challenge the adequacy of the reserves assessment which should include a risk assessment before approving the budget.			
<b>Cabinet Member Accountability:</b> Councillor King, Cabinet Member for Croydon Renewal			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) Develop a reserves strategy as part of the Medium Term Financial Strategy (MTFS) and present it for approval with the Budget reports to Cabinet and Full Council. This needs to incorporate a clear assessment of risks and liabilities that demonstrate all current and future exposure has been thought through and factored into the recommendations. Strategy to map the financial governance process around agreeing additions to reserves to be included to reduce risk of duplication and that there were no gaps in approach.	The MTFS and 21/22 Budget agreed on 8 <sup>th</sup> March contains a clear strategy for growing the reserves base up to a level which by 23/24 would give a general fund reserve in excess of £60 million	COMPLETE - Embedded into BAU	Interim Director of Finance, Investment and Risk
ii) In considering future budget reports, Cabinet will assure itself that all risks and liabilities have been properly considered by requesting that the Scrutiny & Overview Committee and the General Purposes and Audit Committee review the adequacy of the strategy and its relationship to the MTFS prior to Cabinet taking a decision.	From April 2021 Financial Monitoring reports will be provided to Cabinet on a monthly basis to ensure Members have increased oversight on any emerging pressures or movements.  The 21/22 Budget was reported to Scrutiny on 16 <sup>th</sup> February 2021 and comments were verbally reported to cabinet on 8 <sup>th</sup> March 2021.  Future year's timescales will need to include time for both this and reference to GPAC and Scrutiny	COMPLETE - Embedded into BAU with updates to Cabinet monthly	Interim Director of Finance, Investment and Risk

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<p>iii) Training to be delivered to relevant members to raise understanding of reserves</p>	<p>An outline Training programme for all members including where appropriate, specific training for committee members, was approved by the Members Learning &amp; Development Panel on July 13<sup>th</sup> 2021. It has been aligned with the actions in the RIPI action plan to ensure all aspects covered.</p> <p>See recommendation LBC3 – i for further detail.</p>	<p>Progressed – See recommendation LBC3 –I for detail.</p> <p>Training to be delivered by March 2022</p>	<p>Interim Executive Director of Resources</p> <p>Director of HR/ Head of Democratic Services</p>
<p>iv) Council to identify the most appropriate mechanism for the Scrutiny &amp; Overview Committee to monitor and assess progress made against delivering the budget throughout the year. As a part of this any update would need to provide reassurance that effective budget controls are in place to mitigate against potential pressures.</p> <p>Furthermore, the Council is to consider approach to providing reassurance to Members that effective budget controls were in place to mitigate against potential risks to the delivery of the budget</p>	<p>The Council has continued to maintain mechanisms to mitigate against potential budget risks and provide Scrutiny &amp; Overview Committee and wider Council Members with oversight of the Council’s Financial Performance. These mechanisms include the Spending Control Panel and Budget Tracker.</p> <p>The Council is now well into its periodic financial performance regime, with Period 3 going to August 16<sup>th</sup> Cabinet.</p> <p>On the Forward Plan, decisions are planned on an MTFS update (October) and budget development for next financial year (January/February).</p>	<p>Progressed – further update to be provided every quarter</p> <p>To be embedded as BAU</p>	<p>Interim Director of Finance, Investment and Risk</p>



**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

	<p>A forensic financial audit has been commissioned. The report has been received by the section 151 officer and will inform the future structure of the Finance Function</p>		
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## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

### Recommendation 3 – HIGH PRIORITY

The Chief Executive should oversee a review of the outcomes achieved from the use of transformation funding to demonstrate that the funding has been applied in accordance with the aim of the scheme.

**Cabinet Member Accountability:** Councillor King, Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
i) A review of all schemes previously funded from transformation capital receipts be undertaken and a report produced that assesses whether the funding has been applied in accordance with the scheme.	This work is completed following discussions with the external auditor. An update will be made to GPAC as part of the report on the 2019/20 accounts.	COMPLETE	Interim Director of Finance, Investment & Risk
ii) Training to be delivered to relevant members on transformation funding to raise understanding.	An outline training programme has been developed for all members including where appropriate, specific training for committee members, was approved by the Members Learning & Development Panel on July 13 <sup>th</sup> 2021. It has been aligned with the actions in the RIPI action plan to ensure all aspects covered.  See recommendation LBC3 – i for further detail.	Progressed – See recommendation LBC3 –I for detail.  Training to be delivered by March 2022	Interim Executive Director of Resources  Interim Director of Finance, Investment and Risk  Director of HR  Head of Democratic Services

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

**Recommendation 4**  
The s151 officer should set out the strategy for applying capital receipts for transformation annually as part of the budget setting process.

**Cabinet Member Accountability:** Councillor King, Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
i) A strategy for funding transformation to be incorporated into the budget setting process using the current Ministry of Housing, Communities and Local Government (MHCLG) Flexible Use of Capital Receipts Scheme.	Following extension of the Flexible Use of capital receipts scheme. Proposals for the use of up to £5 million of capital receipts, subject to availability of receipts will be drafted and agreed by ELT. This should be received in w/c 7 <sup>th</sup> June	COMPLETE - Embedded into BAU and incorporated into budget setting going forward	Interim Director of Finance, Investment & Risk
ii) In the absence of any national capital receipts for transformation scheme, the strategy for funding transformation will set out how future schemes will be funded using invest to save principles using rolling investment that is set aside and supported by business cases that demonstrate return. Any business case will have to demonstrate governance of the programme to assure the section 151 officer and Cabinet that the deliverables are being met.  All schemes approved for funding under this strategy will be assessed individually and against the overarching risk exposure and affordability for the Council.	See 4i above.	COMPLETE – Process Embedded into BAU with updates to Cabinet monthly	Interim Director of Finance, Investment & Risk

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<p>iii) There will be an annual report to the Scrutiny &amp; Overview Committee and GPAC on the use of transformation funding and the delivery of schemes. A corporate strategy needs to be developed to assess future transformation projects prior to funding. This should include a requirement to identify the intended outcomes, risk exposure, ongoing affordability, how success will be measured, how progress will be tracked, and any interdependencies with other projects and any wider benefits.</p>	<p>Report to be prepared at the end of each financial year from 21/22 onwards</p>	<p>June 2022</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<b>Recommendation 5</b> The General Purposes and Audit Committee should receive reports on the actions being taken to address the Dedicated Schools Grant deficit and challenge whether sufficient progress is being made.			
<b>Cabinet Member Accountability:</b> Councillor Flemming, Cabinet Member for Children, Young People and Learning			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) The Dedicated Schools Grant recovery plan should be presented to General Purposes and Audit Committee and Scrutiny and Overview Committee for review and agreement to ensure that it is adequate to meet objectives and timelines that have been set.	Reviewed at GPAC 4 March 2021	COMPLETE	Interim Director of Education
ii) Special Educational Needs Finance Board to be established and chaired by the interim Director of Education to oversee the delivery of the Dedicated Schools Grant recovery plan.	Initial meetings held with further meetings to be scheduled to update on the progress of the DSG recovery plan.	COMPLETE - Embedded into BAU	Interim Director of Education
iii) Training to be provided to members to ensure the committee possess a working understand of education funding and budgets	DSG training has been delivered to members of Scrutiny Committee, Labour Group and Conservative Group	COMPLETE	Interim Director of Education /Head of Learning &OD
iv) Implement the 'New Approach to Special Educational Needs delivery' strategy working with schools to ensure that more of our Special Educational Needs pupils are educated in mainstream provision to include: <ul style="list-style-type: none"> <li>• Developing more capacity within the post-16 provision</li> <li>• Opening of new Special Educational Needs free schools</li> </ul>	Report delivered to School's Forum on Monday 26 <sup>th</sup> April and full approval given to widen the project to two further locality areas.  1% increase in CYP with an EHCP being educated in a Mainstream school.  Addington Valley Academy – the opening of new building on target to open in September 2021.	Update provided- Further update to come to Q.3	Interim Director of Education

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

	Provision for our Post-16 SEN learners at Coulsdon College has been extremely successful. Discussions underway about making this pathway provision part of the main college site.		
v) Progress against the recovery plan to be included in the monthly budget monitoring report to Children's, Families and Education Department Leadership Team, the Executive Leadership Team, the Children's Improvement Board and the quarterly Cabinet, General Purposes and Audit Committee and Scrutiny & Overview Committee which will bring a greater level of control and transparency.	Progress update included in the monthly budget monitoring to Education SLT and CFE DLT.	COMPLETE Embedded into BAU with updates to Cabinet monthly	Interim Executive Director, Children Families and Education Head of Finance - CFE
vi) Progress on Dedicated Schools Grant recovery plan to be reported to the Schools' Forum on a termly basis	Included in the forward plan of agenda items for Schools' Forum	COMPLETE Embedded into BAU	Interim Head of Finance, Children, Families and Education

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<b>Recommendation 6</b>			
The Executive Director Children, Families and Education needs to review the services provided to UASC and to identify options to meet their needs within the grant funding provided by the Home Office.			
<b>Cabinet Member Accountability:</b> Councillor Flemming, Cabinet Member for Children, Young People and Learning			
<b>Action</b>	<b>Progress made to date</b>	<b>Status/Updated Deadline</b>	<b>Accountability</b>
i) Complete a forensic review of grant income against the total expenditure for unaccompanied asylum seeking children and care leavers over the past 3 years, including the co-ordination of pan-London arrangements	Review completed and is informing Council's approach to UASC support offer.	COMPLETE	Interim Head of Finance, Children, Families and Education
ii) Negotiate with the Home Office and Department for Education to secure the same financial support provided to other port of entry authorities such as Kent and Portsmouth to cover the exceptional overhead costs caused by the volume of unaccompanied asylum seeking children received in the Borough. <ul style="list-style-type: none"> <li>• Full cost recovery for exceptional overheads provided by Croydon such as age assessments, the social care duty service at Lunar House and legal fees. Due to volumes in the Borough from its port of entry position, these cannot be absorbed within normal overhead cost as per all other local authorities.</li> <li>• Increased funding for children cared for over and above the voluntary national rate to match the funding of Croydon's children in care.</li> </ul>	Meetings have been held with senior officials in the Home Office and Department for Education, underpinned by forensic review and modelling of additional costs.  Agreement of full cost recovery for the age assessment team and the Duty Team at Lunar House for one year. This will cover costs of approximately £595k per annum agreed over 2021-22  A report on the Council's approach to UASC went to Cabinet in June and August 2021 Cabinet. These noted the risk involved further savings in potential further savings in Children's Services and recommended to allow Officers to look at all options possible going forward.	Ongoing – review for October 2021  Progressed - Further update to be provided Q.3 update	Interim Executive Director, Children Families and Education

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<p>iii) Work with London local authorities to safely transfer responsibility for an agreed number of children in Croydon’s care to reduce disproportionate burden on Croydon.</p>	<p>Since the previous quarter update there have been no further transfers of children placed out of borough agreed.</p> <p>24 have been confirmed and work is underway between Croydon and the relevant boroughs to complete the transfers.</p>	<p>COMPLETE</p>	<p>Interim Executive Director, Children Families and Education</p>
<p>iv) Introduce a needs based approach to withdrawing services to young people whose appeal rights are exhausted alongside earlier, robust triple planning as part of their pathway at 16 plus. This will assist and support a planned, safe voluntary return when all legal routes to remain have been exhausted and avoid a forced detention and removal when young people have no recourse to public funds, limited access to NHS and education and cannot work legally in UK.</p>	<p>A planned programme of Human Rights Assessments (HRAs) to inform the decision to safely withdraw services is underway. There are currently 15 young people whose appeal rights are exhausted. All will have an HRA by mid-August.</p>	<p>COMPLETE - Embedded into BAU</p>	<p>Director Early Help and Children’s Social Care</p>



## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<b>Recommendation 7</b>			
The Executive Director Children, Families and Education needs to identify the capacity threshold for the numbers of UASC that it has the capacity to deliver safe UASC services to.			
<b>Cabinet Member Accountability:</b> Councillor Flemming, Cabinet Member for Children, Young People and Learning			
<b>Action</b>	<b>Progress made to date</b>	<b>Status/Updated Deadline</b>	<b>Accountability</b>
i) Draw on the analysis and review at 6 (i) to develop options to establish a capacity threshold for Croydon for unaccompanied asylum seeking children that is commensurate with other Local Authorities and in line with the nationally agreed standards and funding.	The voluntary national rate is the equivalent of 0.07% of the child population. In Croydon that equates to 66 children. This underpins the forensic review and modelling completed in 6i	COMPLETE - Embedded into BAU	Interim Executive Director, Children Families and Education
ii) Present options for the Council to deliver safe services within the capacity threshold to the Children's Improvement Board, Cabinet and General Purposes and Audit Committee and Scrutiny & Overview Committee to increase levels of control and improve transparency.	A Cabinet paper on the Council's approach to caring for UASC will be presented on June 7 <sup>th</sup> 2021.	COMPLETE	Interim Executive Director, Children Families and Education

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

### Recommendation 8

The Cabinet reports on the financial position need to improve the transparency of reporting of any remedial action taken to address in year overspends.

**Cabinet Member Accountability:** Councillor Young, Cabinet Member for Resources and Financial Governance and Councillor King, Cabinet Member for Croydon Renewal

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Action	Progress made to date	Status/Updated Deadline	Accountability
<p>i) A review of financial reporting best practice is to be undertaken and the results used to design reports and a system of reporting that will improve its approach to managing finance, performance and risk to introduce a greater level of transparency and better grip of expenditure. All departments will be required to report against their budgets to the Departmental and Executive Leadership Teams on a monthly basis.</p>	<p>A process for monthly reporting is being developed with the period 1 report to come to Cabinet June 7<sup>th</sup> 2021. These reports will develop iteratively over the coming months.</p> <p>See recommendation 8 – ii for further information on performance monitoring.</p>	<p>COMPLETE</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>
<p>ii) The Council will develop a new corporate framework for monthly reporting that includes finance, performance and risk. This will report to the Executive Leadership Team, Cabinet, General Purposes and Audit Committee and Scrutiny and Overview Committee as appropriate.</p> <p>The new framework will include progress against service delivery, departmental actions plans, savings opportunities and actions contained within the Croydon Renewal Plan. All actions will be assigned to accountable people (including relevant cabinet member) and will be tracked through a central reporting team to ensure that the process is joined up, consistent and timely. This will be a recognised Programme</p>	<p>The Council has developed a new Corporate framework to deliver monthly Corporate Finance, Performance and Risk update reports. These monitor implementation of improvement actions across the Council (including those contained in the RIPI and as part of the CRP) and set out KPIs and accountable officers.</p> <p>The PMO presented an approach to monthly Corporate, Finance,</p>	<p>COMPLETE</p> <p>Embedded into BAU with updates to Cabinet monthly</p>	<p>Chief Executive</p>

**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

<p>Management Office function using savings and actions trackers</p>	<p>Performance Risk Reporting to Cabinet on April 12<sup>th</sup>.</p> <p>The June 7<sup>th</sup> Corporate Finance, performance &amp; Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p> <p>The monthly reports will develop over time as recommendations are progressed.</p>		
<p>iii) A review of the capacity within the Finance Team to ensure there is adequate support for departmental cost centre managers to fulfil their responsibilities as budget holders.</p>	<p>A proposed structure for the finance team to ensure the service has the right support for departmental cost centre managers was developed in November 2020.</p> <p>This will be reviewed following the financial forensic audit which will inform the future size and shape of the Finance function.</p>	<p>Progressed – Further update to come for Quarter 3</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

### Recommendation 9 – HIGH PRIORITY

The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.

**Cabinet Member Accountability:** Councillor King, Cabinet Member for Croydon Renewal/ Callton Young, Cabinet Member for Resources and Financial Governance

Action	Progress made to date	Status/ Updated Deadline	Accountability
i) To support the Annual Budget setting process Budget Development Meetings will be held for each department and will be attended by Executive Directors, Corporate Leadership Team and Members with accountability for their service area and staff who are responsible for service delivery that understand what impact growth and savings plans will have on the services. To support this process Members will be provided with a clear set of proposals that demonstrate cost pressures (growth) and savings opportunities with narrative and comparators on budget and outcomes delivered to describe the impact of the decisions that are required to be taken.	<p>Proposals were provided to members with a formal decision in November Cabinet. Saving opportunities for 21/22 were set out across all services and have been incorporated into delivery of Croydon Renewal Plan.</p> <p>The Council recognises further savings will be necessary to achieve a sustainable budget in the long term. Discussions for further savings next year will be scheduled starting from April 2021.</p>	COMPLETE Embedded into BAU	Interim Director of Finance, Investment & Risk
ii) To support the budget exercise the Council will seek external support to test the draft budget proposals, seek ideas and good practice and will take the same approach by seeking support for the scrutiny process.	<p>Various support from external sources has been utilised to date to offer capacity and advice. This includes the LGA, Centre for Governance and Scrutiny, Council peers and CIPFA. The Council will continue to use such opportunities moving forward.</p>	COMPLETE Embedded into BAU	Interim Director of Finance, Investment & Risk  Interim Director of Resources

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<p>iii) Develop a budget savings tracker that profiles savings by month to enable Members to track that savings are on target. This will need to correlate with the finance, performance and risk reporting that Council will introduce.</p>	<p>An in year savings tracker has been developed to monitor identified savings and escalate any delivery challenges. In year savings are rag rated based on confidence in delivery.</p>	<p>COMPLETE Embedded into BAU</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>
<p>iv) To increase understanding of the choices Cabinet Members are making with regards to the emerging budget and to effectively challenge budget assumptions, Scrutiny and Overview Committee Members to receive regular briefings on the progress of budget setting.</p>	<p>Budget Discussions were conducted across January and February 2021. This included focused discussion on the 21/22 budget for specific directorates. Discussion took place at Children and Young People Sub-Committee, Health &amp; Social Care Sub-Committee, at Scrutiny, Streets, Environment &amp; Homes sub-committee and finally the Scrutiny &amp; Overview Committee.</p> <p>The Council will continue to brief Scrutiny committees on budget matters. Work is ongoing to further develop the process for budget scrutiny with conversations ongoing with Scrutiny Chairs. A date is held in the Forward Plan to ensure SOC has the chance to challenge the proposed budget for 2022/23.</p>	<p>COMPLETE Embedded into BAU</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>
<p>v) To review the budget setting-timetable to ensure that the Scrutiny &amp; Overview Committee has the time to digest and review the budget proposals and underlying assumptions and for Cabinet to respond fully to any challenge or comments and for Cabinet to be able to consider changing its proposals.</p>	<p>The Council is taking action to ensure budget discussions happen at an earlier date and more opportunities are offered to members to offer input into the budget and review its management. These actions include finalisation of Council meetings forward plan up until April 2022 with dates marked for policy</p>	<p>COMPLETE Embedded into BAU</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>

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	<p>discussions and monthly financial performance updates at Cabinet.</p> <p>Additionally, budget developments meetings will begin in Spring 2021 as opposed to Autumn meaning savings will be identified and shared with members earlier in year. An MTFS update is scheduled for Cabinet in October.</p> <p>The Council will continue to brief Scrutiny committees on budget matters. Work is ongoing to further develop the process for budget scrutiny with conversations ongoing with Scrutiny Chairs. A date is held in the Forward Plan to ensure SOC has the chance to challenge the proposed budget for 2022/23.</p>		
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## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<b>Recommendation 10</b> The General Purposes and Audit Committee must challenge officers on the progress in implementing the Financial Consultant’s recommendations to improve the budget setting, monitoring and reporting process and actions to address the Head of Internal Audit’s concerns on internal controls.			
<b>Member Accountability:</b> Councillor Karen Jewitt, Chair of General Purposes and Audit Committee			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) Delivery of the Financial Consultant’s recommendations and the Head of Internal Audit’s concerns will be reported to the General Purposes and Audit Committee and to the Improvement Board as part of the Croydon Renewal Plan.	<p>Phase 1 of the review have been established and the work on the 75 recommendations in the initial review is ongoing. A progress update on the implementation of these recommendations went to GPAC in April. This included notice on completion of the Capital Programme review, Updated MTFS and new financial governance arrangements.</p> <p>Further updates on these will be presented to GPAC, with a date set for September.</p> <p>In March ELT agreed a renewed Internal Audit Governance Framework. The agreed framework states the Head of internal Audit is to regularly prepare reports for DLTs and ELT (4 times a year for each) to ensure visibility on existing concerns and mitigating actions in place,</p>	<p>The next update on the Finance Review is scheduled for GPAC September 2021</p> <p>– An update in this action plan will be shared in the Q.3 update</p>	Interim Director of Finance, Investment & Risk

**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

	<p>The Head of Internal Audit is regularly attending GPAC and can use the meeting as an opportunity to provide updates on concerns and the management actions being delivered to address the concerns.</p>		
<p>ii) That a piece of work be undertaken to clarify the roles of GPAC and Scrutiny to reduce duplication and ensure right things are being reviewed at the right time</p>	<p>Updates on phase 1 of the Finance Review are currently scheduled on the GPAC work plan up until September including updates on phase 1. It is suggested that it remain this way but Scrutiny call in as they feel appropriate to ensure correct level of challenge. The next update will be received at GPAC in September 2021 with a further update provisionally scheduled for February 2022.</p> <p>Phase 2 and 3 of the finance review have been paused to prioritise other pieces of work.</p> <p>The respective roles of GPAC and Scrutiny will be clarified as part of the wider review of the Constitution. (see LBC Recommendation 1)</p>	<p>COMPLETE</p>	<p>Interim Executive Director of Resources</p> <p>Interim Director of Finance, Investment &amp; Risk</p>



## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<b>Recommendation 11</b>			
The s151 officer needs to revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme.			
<b>Cabinet Member Accountability:</b> Councillor King, Cabinet Member for Croydon Renewal			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) The Council have commissioned PwC to undertake a strategic review of the Growth Zone with completion expected November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	PwC report to cabinet made recommendations on future of GZ. These are now being implemented	COMPLETE	Interim Director of Finance, Investment & Risk
ii) Revised financial model profile to be presented alongside budget review in February 2021 to Cabinet, General Purposes and Audit Committee and the Scrutiny and Overview Committee.	The March cabinet report sets out a direction of travel, with 1 year of capital expenditure. Considering the current macro-economic climate (i.e. impact of pandemic) and challenges facing Croydon and its economy, this means that the financial model will need updating throughout this calendar year. Dates for GPAC and Scrutiny & Overview Committee are being scheduled.  An update on the report will go to Cabinet in December 2021.	Progressed – further update December 2021	Interim Director of Finance, Investment & Risk
iii) Cabinet paper with revised profile and recommendations to be issued March 2021.	See 11ii	COMPLETE	Interim Director of Finance, Investment & Risk
iv) The Council needs a mechanism in place to review projects to use the learning to inform any future work. This should be extended across all areas of the Council, with learning retained centrally as a corporate resources.	Project closure process in place as part of the governance of all projects.	COMPLETE – but needs further development to be embedded into BAU fully	Interim Director of Finance, Investment & Risk

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<b>Recommendation 12 – HIGH PRIORITY</b> The s151 officer should review the financial rationale and associated risks and make recommendations to Cabinet and Council on whether the Revolving Investment Fund should continue.			
<b>Cabinet Member Accountability:</b> Councillor King, Cabinet Member for Croydon Renewal			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) The Council have commissioned PwC to undertake a strategic review of the Revolving Investment Fund with completion expected in November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	Report by PwC on governance & strategic review delivered in November 2020 to Cabinet.  Treasury Management strategy updated 1st March 2021 limits new lending under the RIF to BBB working capital loans only	COMPLETE	Interim Director of Finance, Investment & Risk
ii) Recommendations to be presented alongside budget review in Feb 2021 to Cabinet, General Purposes and Audit Committee and Scrutiny and Overview	See recommendation 12i	COMPLETE	Interim Director of Finance, Investment & Risk
iii) Cabinet paper with recommendations to be issued March 2021.	See recommendation 12i	COMPLETE	Interim Director of Finance, Investment & Risk

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

**Recommendation 13**  
 The s151 officer should review the purchase of Croydon Park Hotel to identify lessons learned to strengthen future due diligence arrangements.

**Cabinet Member Accountability:** Councillor King, Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
i) The Council have commissioned PWC to undertake a strategic review of assets that have been purchased with completion expected in November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	On February 18 <sup>th</sup> Cabinet agreed the approach set out in the Interim Assets Strategy. This included, in the appendices, options for an approach on the future of Croydon Park Hotel. An update with a decision on the future of Croydon Park Hotel is provisionally scheduled for September 2021.	COMPLETE	Interim Director of Finance, Investment & Risk
ii) Recommendations, including lessons learned, will inform changes required to governance arrangements and training/development that might be required. These recommendations to be presented alongside budget review in February 2021 to Cabinet, General Purposes and Audit Committee and Scrutiny and Overview.	Under Treasury management strategy changes no new investments will be made.  Lessons learned paper to be prepared.	September 2021	Interim Director of Finance, Investment & Risk
iii) Review and re-write the asset investment strategy that was approved by Cabinet in October 2018 incorporating advice from each of the Strategic Reviews. The review will explicitly consider best practice from the sector and lessons learned from other local authorities, the external auditor and the National Audit Office on effective investment practice.	Interim Asset Strategy has been approved at February 18 <sup>th</sup> Cabinet to fast track income generation and achieve “quick wins.”  A 3 year 21-24 Asset Strategy is being developed provisionally set for January 2022 Cabinet.	COMPLETE	Interim Director of Finance, Investment & Risk / Executive Director of Place
iv) Cabinet paper with recommendations to be issued March 2021. Update to be provided at Scrutiny on 9 <sup>th</sup> February	The Interim Assets Disposal Strategy, was discussed at both Cabinet and Scrutiny & Overview Committee in February.	COMPLETE	Interim Director of Finance, Investment & Risk

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

### Recommendation 14 – HIGH PRIORITY

The Cabinet and Council needs to re-consider the Treasury Management Strategy for ongoing affordability of the borrowing strategy, the associated risks and identify whether alternative options can reduce the financial burden.

**Cabinet Member Accountability:** Councillor Young, Cabinet Member for Resources and Financial Governance and Councillor King, Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
i) The Treasury Management Strategy will be reviewed as part of the budget setting for 2021/22 and will take into consideration the outcome of the strategic reviews to factor in the overall financial position and best practice from other local authorities. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	Treasury Management strategy updated and agreed by Council on 8 <sup>th</sup> March 2021	COMPLETE	Interim Director of Finance, Investment & Risk
ii) The outcome of the strategic reviews that the Council have commissioned will inform the Treasury Management Strategy for 21/22 onwards and any changes in governance that may be required.	See recommendation 14i	COMPLETE Embedded into BAU	Interim Director of Finance, Investment & Risk

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<b>Recommendation 15</b>			
The Chief Executive should arrange detailed Treasury Management training to assist Members to better understand and challenge the long-term financial implications of matters reported within the Treasury Management Strategy.			
<b>Cabinet Member Accountability:</b> Councillor Young Cabinet Member for Resources and Financial Governance			
<b>Action</b>	<b>Progress made to date</b>	<b>Status/Updated Deadline</b>	<b>Accountability</b>
i) Members to attend training sessions facilitated by the Local Government Association to cover treasury management to enable better and effective financial leadership.	Treasury management training was offered to all members on the 3 <sup>rd</sup> March 2021.  Session was recorded and will be distributed to all Members and all budget managers.	COMPLETE	Chief Executive

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

### Recommendation 16

The s151 officer should revisit the Minimum Revenue Provision policy to demonstrate that a prudent approach is being taken.

**Cabinet Member Accountability:** Councillor King Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
i) Link Asset Management has been commissioned to carry out a review of the Minimum Revenue Position policy. The report with recommendations will be discussed with General Purposes and Audit Committee and then on to Cabinet.	Minimum Revenue Provision Policy Statement 2020/21 went to Cabinet 1 <sup>st</sup> March as part of the Treasury Management Strategy.	COMPLETE	Interim Director of Finance, Investment & Risk

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

**Recommendation 17**  
 The Cabinet and Council should reconsider the financial business case for continuing to invest in Brick by Brick before agreeing any further borrowing.

**Cabinet Member Accountability:** Councillor Hamida Ali, Leader of the Council

Action	Progress made to date	Status/Updated Deadline	Accountability
i) PwC has been commissioned to undertake a strategic review of Brick by Brick with completion expected in November 2020. The report with recommendations regarding the financial business case will be reviewed by the Scrutiny and Overview Committee prior to being presented to Cabinet.	<p>This specific action is complete however, ongoing activity with regard to BBB still needs to be taken hence further updates suggested.</p> <p>Phase 1 of the Strategic Review set out a number of options around BBB. This was received at Cabinet in November 2020 and it was agreed by members for further work to be carried out to advice on the best approach for BBB.</p> <p>The additional paper went to Cabinet in February 2021. It recommended an approach to build out of sites by Brick by Brick combined with a sale of sites under construction whilst still considering the option of a sale of the business, with a further report to come to Cabinet.</p> <p>On July 12<sup>th</sup> Cabinet approved recommendations to reject a purchase offer for BBB and agree a modified build out scenario of 23</p>	Progressed – Further update to be provided Q.3	Chief Executive

**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

	<p>sites be implemented. The Council will receive reports on BBBs financial position, sales, contractual issues and other relevant matters on a monthly basis. Quarterly updates from these will also go to Cabinet.</p>		
<p>ii) Council to review the risks relating to Brick by Brick to ensure they are appropriately listed on the risk register</p>	<p>The Risks for Brick by Brick have been reviewed and are as follows per the Corporate Risk Register:</p> <ol style="list-style-type: none"> <li>1. Investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC).</li> <li>2. There is no effective challenge, review, investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC).</li> </ol> <p>**These risks specifically relate to financial strategy, treasury management strategy (including borrowing), capital investment strategies and appropriateness of continuing investment and</p>	<p>COMPLETE - Embedded into BAU</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>



**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

	<p>association with BBB**</p> <p>The Corporate Red Risk Register is reviewed monthly at ELT to review and update risks where necessary.</p>		
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## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

### Recommendation 18 – HIGH PRIORITY

The Cabinet and Council should review and reconsider the ongoing financial rationale for the Council in the equity investment arrangement with Brick by Brick.

**Cabinet Member Accountability:** Councillor King Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
<p>i) PwC has been commissioned to undertake a strategic review of Brick by Brick. The report and recommendations will consider the ongoing financial rationale and equity invested and will detail options for the Council that will be considered by the Scrutiny &amp; Overview Committee Cabinet prior to being presented to Cabinet.</p>	<p>This paper went to Scrutiny &amp; Overview Committee and Cabinet in February 2021.</p> <p>The Cabinet paper noted that the Council has never made any equity payments, as planned, and is not in the financial position to do so. It was noted BBB sales proceeds were meant to be placed in an account for the Council to apply interest repayment and, if excess, to substantive loan repayment. Unfortunately, this process has not occurred and instead sale proceeds were retained by BBB effectively replacing the Council's equity share.</p> <p>The Council needs to review existing arrangement, change the current agreements or replace it with fresh loans.</p> <p>It is recommended that the current arrangements continue but in a modified way to give Brick by Brick capacity to have working capital to ensure that funds are available to build out units on site</p>	<p style="text-align: center;">COMPLETE</p>	<p>Chief Executive</p>

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

Recommendation 19			
The s151 officer and monitoring officer should monitor compliance with loan covenants with Brick by Brick and report any breaches to Members.			
<b>Cabinet Member Accountability:</b> Councillor King Cabinet Member for Croydon Renewal			
Action	Progress made to date	Status/Updated Deadline	Accountability
<p>i) Loan covenants are within scope of the PwC strategic review and will be considered as part of the overall recommendations.</p> <p>A review of the existing loan covenants and their governance is to be undertaken. Learning from this review, a new system of control for all loan agreements entered into by the Council will be presented to Members and this will form part of the new Corporate Finance, Performance and Risk reporting system.</p> <p>The review and the proposed new system for loan covenants will be presented to GPAC &amp; Scrutiny and Overview Committee prior to being presented to Cabinet for approval.</p>	<p>Loan agreements to be redrafted to provide a comprehensive single agreement</p> <p>The February Cabinet report agreed that detail of the revised loan scheme be delegated to the Chief Executive after consultation with the leader and appropriate lead members.</p>	<p>COMPLETE Embedded into BAU</p>	<p>Interim Executive Director of Resources</p> <p>Interim Director of Finance, Investment &amp; Risk</p>

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

### Recommendation 20 – HIGH PRIORITY

The Cabinet and Council should review its arrangements to govern its interest in subsidiaries, how the subsidiaries are linked, and the long-term impact of the subsidiaries on the Council’s financial position and how the Council’s and taxpayers’ interest is safeguarded.

**Cabinet Member Accountability:** Councillor Young, Cabinet Member for Resources and Financial Governance

Action	Progress made to date	Updated Deadline/ Status/Updated Deadline	Accountability
<p>i) An audit of the Council’s approach to membership of each subsidiary board will be undertaken. The audit will involve officers of the Council and any Chairs/Members of company boards.</p>	<p>A working group was established to work through the existing list of companies that the Council has an interest in. Relevant officers and Directors of company boards were invited to present a paper at each of the working group meetings to discuss the company/companies they are involved with.</p> <p>These informed renewed governance arrangements which were approved by Cabinet on 26<sup>th</sup> July 2021, establishing the Croydon Companies’ Supervision and Monitoring Panel (CCSMP) and approving its terms of reference.</p> <p>As part of a refreshed approach to membership the S151 Officer in consultation with the Chief Executive, has delegated authority to appoint and remove nominated Directors from the board of Group entities.</p>	<p>COMPLETE – governance arrangements embedded into BAU</p>	<p>Interim Executive Director of Resources</p> <p>Interim Director of Finance, Investment and Risk</p>

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<p>ii) As part of this review the membership balance of the boards will be considered in aggregate in regard to best practice for achieving diversity, skill set, sectoral knowledge and Croydon Council representation.</p>	<p>The terms of reference for CCSMP includes the following:  <i>“In fulfilling its responsibilities the CCSMP will: Evaluate effectiveness of Group entity board governance structure and processes and recommend changes as required, including with a view to achieving diversity, skill set, sectoral knowledge and appropriate representation.”</i></p> <p>This measure will help ensure diversity, equality and inclusion aspects will be considered in all future decisions on membership.</p>	<p>COMPLETE – governance arrangements embedded into BAU</p>	<p>Interim Executive Director of Resources</p> <p>Interim Director of Finance, Investment and Risk</p>
<p>iii) External guidance on best practice will be sought. Roles, responsibilities and legal requirements for local authority company directors and guidance on skill set will be sought and this will include the best way to assess the competence of Members and Chief Officers for these roles.</p>	<p>Principles of Good Governance have been embedded within the terms of reference for CCSMP. These principles consider best practice at other local authorities including Nottingham City Council, Birmingham City Council, Ealing Council and Wirral Council.</p> <p>Furthermore, the terms of reference include the following:  <i>“In fulfilling its responsibilities the CCSMP will: Receive updates and training in respect of best practice</i></p>	<p>COMPLETE – External guidance will be continually sought as BAU</p>	<p>Interim Executive Director of Resources</p> <p>Interim Director of Finance, Investment and Risk</p>

**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

	<i>for company governance and associated matters”</i>		
<p>iv) Process for identifying gaps in knowledge and or experience will be brought forward to include training considerations. If necessary interim arrangements will be made to remove risks and ensure effective governance.</p>	<p>The Principles of Good Governance, which are embedded within the terms of reference for CCSMP, include the following:</p> <ul style="list-style-type: none"> <li>• <i>“Directors of the Group entity must act for the entity, declaring and avoiding any actual or apparent conflict of interest. The Group entity should have skills appropriate to the sector and roles. To ensure this is achieved the Board should have mandatory training including induction, an annual training programme and guidance notes. An annual skills audit and triennial independent review should be used to support the entity Board and identify appropriate external expertise</i></li> <li>• <i>Council nominated directors and member representatives to receive mandatory training on an annual basis and appropriate indemnity arrangements to be ensured”</i></li> </ul> <p>As explained above (20i), the ability to appoint and remove Directors has also been delegated.</p>	<p>COMPLETE – training referred to and governance arrangements to continue as BAU</p>	<p>Interim Executive Director of Resources  Interim Director of Finance, Investment and Risk</p>

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<p>v) Essential mandatory training will be undertaken on an annual basis and the retention of the director role for each Councillor and Council official will rely on completion of the recommended training.</p>	<p>See above for (iv) – the date of the training will be determined in due course through the CCSMP.</p>	<p>Progressed – Further update to come Q.3  Training referred to will continue as BAU</p>	<p>Interim Executive Director of Resources  Interim Director of Finance, Investment and Risk</p>
<p>vi) The impact of these changes will need to be reflected in the Council’s Constitution and relevant protocols.</p>	<p>CCSMP’s responsibilities, as set out in the terms of reference, includes:</p> <p><i>“Embedding principles of good governance as referenced in Section B of these Terms of Reference, including by making recommendations via the Chair for the Council’s constitution to be amended to reflect the role of CCSMP and recommended corporate protocols, such item to be on the agenda for the first meeting of the CCSMP”</i></p> <p>Work to review the constitution will include ensuring that the Council’s constitution reflects best practice in relation to governance of subsidiaries.</p>	<p>Progressed – Further update to come Q.3</p>	<p>Interim Executive Director of Resources  Interim Director of Finance, Investment and Risk</p>
<p>vii) Support for the effective governance of the Council’s subsidiaries and retaining a corporate overview of activity of individual companies and the whole group of companies is to be developed.</p>	<p>In addition to embedding the Principles of Good Governance section B of the terms of reference.</p>	<p>Progressed – Responsibility referred to will continue as BAU.</p>	<p>Interim Executive Director of Resources  Interim Director of Finance, Investment and Risk</p>

**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

	<p>CCSMP’s responsibilities, as set out in the terms of reference, includes:</p> <p><i>“Supporting the development of Group entities and the Group”</i>. A full list of responsibilities can be seen <a href="#">here</a>.</p> <p>Further, although Brick By Brick will have separate reporting and governance arrangements, when CCSMP reports to Cabinet, Cabinet will also be asked to note the reports presented separately on Brick By Brick to ensure holistic consideration of the Council’s Group entities.</p>	<p>This action will be reported on quarterly to update on impact of CCSMP.</p>	
<p>Viii) Raise awareness of the timing of the Annual General Meetings of subsidiaries amongst Members.</p>	<p>CCSMP’s responsibilities, as set out in the terms of reference, includes:</p> <p><i>“The CCSMP will, via the Chair, report to Cabinet on a biannual basis at minimum and make recommendations as appropriate. The Chair shall frequently brief relevant Cabinet Members between formal reporting to Cabinet.”</i></p>	<p>Progressed – Further update to come Q.3</p> <p>Update referred to will continue as BAU.</p>	<p>Interim Executive Director of Resources</p> <p>Interim Director of Finance, Investment and Risk</p>



**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

	The Scheduling of this has is being actively discussed through the CCSMP.		
IX) Cost effective mechanism to publish Board membership of Council subsidiaries to be investigated	<p>Board membership of subsidiaries can be included within CCSMP’s bi-annual reports to Cabinet (see Rec 20 – VIII).</p> <p>Other company and Directorship information already publicly available on company’s house.</p>	Progressed- Update referred to will continue as BAU.	<p>Interim Executive Director of Resources</p> <p>Interim Director of Finance, Investment and Risk</p>

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

**LBC Recommendation 1**  
 Given the challenges ahead there will need to be improvement of the Council’s approach to risk management to enable a satisfactory turnaround of the financial position.

**Cabinet Member Accountability:** Councillor King Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
i) An externally led review of the Council’s appetite for risk needs to be undertaken with Members and Officers to ensure that the council’s financial capacity for managing risk is fully understood.	Cabinet risk management session has been carried out which will need to have a follow up session during the 21/22 financial year.  A selection of Officers across the Council have been given access to the Risk software to download and edit risk entries. This has included 1-1 training sessions on the creation of risks and the use of software.	Sept 2021 – Progressed	Interim Director of Finance, Investment & Risk  Director of HR  Head of Democratic Services
ii) Corporate Finance, Performance and Risk management to be combined into one reporting function to remove silo thinking and increase the rigour to enable delivery of services, savings plans and the overarching Improvement Plan. This will require one new unified system of corporate reporting.	PMO developing initial Corporate Finance, Performance and Risk report.  These reports will be developed monthly and will provide updates from across the Council on key KPIs. A Cabinet report on the process of reporting was provided on April 12 <sup>th</sup> 2021.  The June 7 <sup>th</sup> Corporate Finance, performance & Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the	COMPLETE – Embedded into BAU with monthly reports to Cabinet	Interim Executive Director of Resources

**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

	<p>work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p> <p>The monthly reports will develop over time as recommendations are progressed.</p>		
<p>iii) Risk considerations to be made at the outset of all new decisions will ensure the Council has capacity, capability and financial resources needed to deliver. The assessment of risk is on the individual decision and its impact on the whole of the Council.</p>	<p>All new programmes of work will be subject to sign off at the Programme Steering Group who will be able to provide a council wide view and ensure that risks have been considered. This process is in evolutionary phase so too soon to record this action as complete.</p> <p>Updates have been made to handling of Corporate Risk Register to improve presentation and to promote ownership across Directorates. Risks now presented to ELT on a monthly basis.</p>	<p>Progressed – next update expected Q.3</p> <p>To become BAU</p>	<p>All Executive Directors</p>
<p>iv) Develop training for Members and Officers to understand effective risk management.</p>	<p>An initial workshop on risk took place in January 2021.</p> <p>In addition, per recommendation LBC 3 - i, this will form part of the wider Member Learning &amp; Development Programme as approved by Members Learning &amp; Development Committee on July 13<sup>th</sup> 2021.</p>	<p>Update provided – training to be delivered by March 2022.</p> <p>To be confirmed in Q.4 Update.</p> <p>To become BAU</p>	<p>Interim Executive Director of Resources/ Interim Director of Finance, Investment and Risk</p> <p>Director of HR</p> <p>Head of Democratic Services</p>

**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

	This training is aimed to be delivered by March 2022. Appropriate Training for Members will continue to be offered as BAU going forward.		
v) The Council to review the terms of reference in regards the General Purposes and Audit Committee and Scrutiny & Overview Committee with regards to risk management to ensure there are no gaps in governance, to remove silo thinking and that both committees have a clear understanding of their responsibilities. This will include new guidance and joint training	<p>Work to update the GPAC and Scrutiny TOR is being progressed as part of the review of the Constitution, aligned with the process of introducing an Independent Chair.</p> <p>Training for Scrutiny Members to understand their roles will accompany adoption of a new approach to scrutiny in response to the CfGS Scrutiny Improvement Review. Training for GPAC members will be implemented following the appointment of the Independent Chair.</p>	Progressed – Further update to be provided Q.3	Interim Executive Director of Resources
vi) Councillors to be provided overview of Council risk function and how risks are constantly monitored and updated in the organisation	<p>Cabinet training workshop took place in January 2021.</p> <p>Officers will look at opportunities to provide key learning to members through refreshed work programme for 2022. (see LBC 3- i)</p>	COMPLETE	Interim Executive Director of Resources

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

LBC Recommendation 2 Clarifying member and officer roles to support good governance arrangements			
Cabinet Member Accountability: Councillor Young Cabinet Member for Resources and Financial Governance			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) The Council will need to undertake a review to consider its operating model to ensure it has capacity and specialist skills required to deliver the financial and operational improvements that are needed to deliver.	<p>A restructure proposal has been approved by Full Council. This should be live Autumn 2021.</p> <p>A review of the Council’s Internal Governance Meeting is in its final stages and its implementation should be aligned with the restructure going live.</p>	Progressed – Further update to be provided Q.3	Chief Executive
ii) The Member/Officer protocol is to be reviewed to ensure that it gives clarity on the respective roles and responsibilities for both Members and officers. The protocol should also explicitly place the seven principles of public life, known as the Nolan principles, at its heart. <a href="https://www.gov.uk/government/publications/the-7-principles-of-public-life">https://www.gov.uk/government/publications/the-7-principles-of-public-life</a> .  Training will be held for all Councillors and senior officers to develop good practice.	<p>On May 26<sup>th</sup> a report reviewing the TOR of Ethics Committee went to the Committee and consequently a new work plan was adopted.</p> <p>An outline Training programme is being developed for all members including where appropriate, specific training for committee members (see LBC 3- i)</p> <p>The Member Code of Conduct is being reviewed, based on the new LGA Model Code of Conduct, with the Nolan principles at its heart: the revised Code will be presented to Ethics Committee for approval in September 2021.</p>	Progressed – Next update Q.3  To become BAU	Interim Executive Director of Resources  Head of Democratic Services

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

	The Member/Officer Protocol will be reviewed as part of the wider review of the constitution, informed by the new Member Code of Conduct.		
iii) A review of the member and officer Codes of Conduct will be undertaken to incorporate any learning from recent events and to ensure that they explicitly include the seven principles of public life, known as the Nolan principles, as the basis of the ethical standards expected of elected and appointed public office holders.	The Member Code of Conduct is being reviewed, based on the new LGA Model Code of Conduct, with the Nolan principles at its heart: the revised Code will be presented to Ethics Committee for approval in September 2021.  This is linked to LBC2 - ii.	Progressed -  To become BAU	Interim Executive Director of Resources
iv) Development sessions for Members and officers to better understand each other's respective roles.	The review and revision of the Councillor/ Officer Protocol will include development sessions for members and officers to better understand each other's respective roles.  See LBC Recommendation 2 ii and iii and LBC Recommendation 3 i.	Progressed - Further update to be provided Q.3  To become BAU	Interim Executive Director of Resources
v) Review the level of support and advice Scrutiny & Overview Committee and the General Purposes and Audit Committee receives from the Head of Paid Services, Section 151 Officer and Monitoring Officer to ensure that the advice is in line with their statutory responsibilities. With this include clarification on the ability and process for members to request information.	Meetings have been held between the Head of Paid Service, S151 officer, Monitoring Officer and Scrutiny Chairs to provide opportunity for regular discussion and planning.	Progressed - Further update to be provided Q.3	Interim Executive Director of Resources

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

	<p>The Scrutiny and GPAC Workplan is also being linked in to the Council's forward plan.</p> <p>Adoption of a new approach to scrutiny in response to the CfGS Scrutiny Improvement Review will ensure that scrutiny's work planning is supported by appropriate information and officer advice.</p> <p>An Access to Information Protocol, informed by the CfGS Scrutiny Improvement Review, will be presented to Ethics Committee in September.</p>		
<p>vi) Review the capacity of the organisation to support the Scrutiny &amp; Overview Committee and the General Purposes and Audit Committee so that activity is prioritised within the financial resources for these functions.</p>	<p>This needs to be considered in conjunction with LBC Recommendation 2 V. See above therefore.</p>	<p>Progressed - Further update to be provided Q.3</p>	<p>Interim Executive Director Resources</p>

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

LBC Recommendation 3			
Ensuring that Members are appropriately trained across all aspects of the Council's financial duties and responsibilities			
Cabinet Member Accountability: Councillor Young, Cabinet Member for Resources and Financial Governance			
Action	Progress made to date	Status/Updated Deadline	Accountability
<p>i) A detailed training and development programme is being designed to enable all Members to fulfil their roles in regard to their role with sufficient rigour. The programme being developed will cover:</p> <ul style="list-style-type: none"> <li>• Financial management to include the importance of effective budget setting, a robust Medium Term Financial Strategy and rigorous budget monitoring (Add reserves)</li> <li>• Understanding funding sources, eg general fund, housing revenue account and direct schools grant</li> <li>• The role of Audit and the external auditor</li> <li>• Treasury management and capital strategies and the Council's approach to subsidiaries</li> <li>• Risk assessment</li> <li>• Commercial Investment</li> <li>• Mentoring</li> <li>• Commissioning and Procurement Process</li> <li>• ASC Budget</li> <li>• Transformation Funding</li> <li>• Statutory and non-statutory services</li> </ul>	<p>An outline training programme for all members, including where appropriate specific training for committee members, was approved by the Members Learning &amp; Development Panel on July 13<sup>th</sup> 2021. It has been aligned with the actions in the RIPI action plan to ensure all aspects covered. Detailed planning is now underway to ensure delivery by March 2022.</p> <p>Some training has already been carried out during the latter part of 2020/early 2021. This includes Finance, Treasury Management, Risk.</p> <p>The Council will ensure training attendance is recorded on Mod.gov.</p> <p>The training offer will be refreshed annually and continually offered to members as BAU going forward. A members induction programme for May 2022 will be informed by the RIPI recommendations.</p>	<p>Action progressed and training offer finalised</p> <p>Training to be delivered with aim to fully deliver by March 2022.</p> <p>To become BAU</p>	<p>Chief Executive</p> <p>Interim Executive Director of Resources</p> <p>Director of HR</p> <p>Head of Democratic Services</p>



**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

<p>ii) Further work on Cabinet development will be undertaken to support members to explore priorities for the new Cabinet, agree how the Members will work together to make the most of shared skills and consider individual and collective leadership styles and ways of working.</p>	<p>LGA have carried out a facilitated session for Cabinet members</p>	<p>COMPLETE</p>	<p>Interim Executive Director of Resources</p>
<p>iii) Target support to be provided for Cabinet Members, Scrutiny &amp; Overview Committee Members and General Purposes and Audit Committee Members to strengthen the approach to reviewing the emerging plans, actions and risks that are being developed as part of the Croydon Renewal Plan, Financial recovery and progress against the Report in the Public Interest. In particular the training will include:</p> <ul style="list-style-type: none"> <li>• The role of Scrutiny and Overview in relation to finance and General Purposes and Audit Committee</li> <li>• Developing an effective culture of scrutiny and key questioning skills</li> <li>• Maintaining a ‘big picture’ view of the financial pressures affecting the council</li> <li>• Assessing effectively budget and financial plans, budget monitoring, reserves approach</li> <li>• Challenging how resources are allocated</li> <li>• Scrutinising partnership arrangements</li> <li>• Key finance issues for Scrutiny and Overview Committee to consider</li> </ul>	<p>An Access to Information Protocol, informed by the CfGS Scrutiny Improvement Review, will be presented to Ethics Committee in September.</p> <p>A Training offer is being developed for all members including where appropriate, specific training for committee members (See LBC3 –i).</p>	<p>Progressed – Further Updates to be provided Quarterly</p> <p>To become BAU</p>	<p>Interim Executive Director of Resources</p>

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

LBC Recommendation 4			
The Council develops an improvement programme that has the necessary elements for it to function effectively and within its financial resource.			
Cabinet Member Accountability: Councillor Hamida Ali, Leader of the Council			
Action	Progress made to date	Status/ Updated Deadline	Accountability
i) Implement new Council management arrangements that ensure: <ul style="list-style-type: none"> <li>• the delivery of high quality statutory services</li> <li>• finances are appropriately managed and controlled</li> <li>• a sound understanding of risk management is at the heart of the organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Restructure approved and senior recruitment campaign due to start in August</li> <li>• Risk Register format and style updated. Now regularly reviewed at ELT and DLTs.</li> <li>• Interim Assets Strategy in implementation stage with number of assets targeted to be disposed by end of financial year.</li> <li>• New process for monthly Corporate Finance, Performance and Risk reporting in place</li> </ul>	Update provided  Further update to be provided for Q.3  To become BAU	Chief Executive Officer
ii) Working with local residents, rebuild the trust with their local Council by focussing on effective delivery of core services, responding promptly and appropriately to queries and complaints and learning from good practice as well as failures and from each other.	A Cabinet paper on Croydon Renewal Community Engagement to establish a Community Panel went to May Cabinet with operating principles and outcomes defined. The Panel is seen as a key element on our journey to becoming more transparent, open and honest in our ways of working. The Panel will also represent a link between our communities and the delivery of the	Ongoing – To be updated every quarter  To become BAU	Interim Executive Director of Resources

**ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE**

	<p>wider Croydon Renewal Improvement Plan. The implementation of this is to be finalised.</p> <p>Sessions with residents have taken place in relation to Regina Road to open up direct communication links between officers and those affected.</p> <p>Rebuilding trust with residents will be an ongoing process with residents as we improve our cultures and systems to be the Council our resident's needs. An update will continue to be provided against this action for the foreseeable future therefore.</p>			
iii)	<p>Introduce a new system of internal control focussed on finance, performance and risk to manage financial expenditure, risk management, service performance and the delivery of Council priorities. This will follow a monthly cycle of Departmental Leadership Teams, Executive Leadership Team, Cabinet and Scrutiny &amp; Overview as appropriate.</p>	<p>New process for monthly Corporate Finance, Performance and Risk reporting in place.</p> <p>Work to align financial/HR data with the restructure is ongoing and is expected to be live in Autumn.</p>	<p>Update provided – next update for Q.3</p> <p>To become BAU</p>	Chief Executive Officer
iv)	<p>Building on the work done to date and listening to staff concerns about equality and diversity in the workplace, co-create a working environment that respects and values all our staff and take positive action to ensure that this is the case.</p>	<p>Following the all-staff conference and the series of staff roadshows held Spring 2021. Further engagement with staff is planned for Autumn 2021 to provide an update to staff on the CRP and underline</p>	<p>Ongoing – To be updated every quarter</p>	Interim Assistant Chief Executive

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

	<p>and continue to promote positive systemic and cultural changes.</p> <p>The Council is committed to creating a positive culture for all and continues to recognise it will take time to build staff trust and confidence.</p> <p>In addition, to the Guardians Programme detailed in the previous update the Council has implemented a series of monthly Tea Talks to provide staff a means to share experiences and discuss sensitive issues in a safe space.</p>	<p>To become BAU</p>	
<p>v) Create a new system of staff performance appraisal, co-created with staff and agreed with the trade unions.</p>	<p>The Council has implemented a light touch solution to appraisals for 2020/2021 to recognise the sheer level of work and commitment staff have shown in the last year.</p> <p>Further work on re-developing appraisals in the longer term is ongoing.</p>	<p>Next update January 2022</p> <p>To become BAU</p>	<p>Interim Executive Director of Resources</p> <p>Director of HR</p>
<p>vi) By working with Council staff, co-create an environment that is open to listening, free from fear, built on trust and openness and reflects the diverse borough that we serve.</p>	<p>See recommendation LBC 4 iv</p>	<p>Ongoing – To be updated every quarter</p> <p>To become BAU</p>	<p>Interim Executive Director of Resources</p> <p>Director of HR</p>

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

<p>vii) Agree a training programme for Council staff that includes finance for non-financial managers, Business Case Development, understanding risk, project management and the Council's own governance processes.</p>	<p>The Council training budget will be held centrally to assist with developing a corporate approach to staff training that creates consistency and efficiency in the way this is managed and delivered. The more specific approach to these areas for training will be agreed once the forensic financial exercise is complete.</p> <p>The forensic audit includes recommendations for improved training of budget managers and finance staff that need to be worked up.</p>	<p>Progressed – Further update to be included in Quarter 3</p> <p>To become BAU</p>	<p>Interim Executive Director of Resources</p>
<p>viii) Ensure the actions contained in this plan are supported by a corporate programme office that can provide assurance to Members.</p>	<p>A PMO office has been established dedicated to coordinating and supporting the delivery of key improvement actions across the Council. This includes recommendations in the MHCLG Rapid Review, the RIPI and the Croydon Renewal Plan.</p>	<p>COMPLETE</p> <p>Embedded as BAU</p>	<p>Interim Executive Director of Resources</p>
<p>ix) Corporate level sponsorship to be allocated to all projects to ensure clarity of responsibility for delivery.</p>	<p>ELT members already allocated across all actions. Further project managers to be identified to deliver the recommendations.</p>	<p>COMPLETE</p>	<p>Chief Executive</p>

## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

x) Work needs to be undertaken as a priority to understand the future model of the Council, which would inform the direction of travel in the improvement journey.	See recommendation LBC 2 - i	Progressed - Work to be complete and reported on for Q.3 update	Chief Executive
xi) Council is to provide appropriate officer support is given to Scrutiny in order that it can fulfil its role.	See recommendation LBC 2 - V	Progressed- Further update to be provided Q.3  To become BAU	Interim Executive Director Resources

Key:

	Action fully completed and, where appropriate, now part of Council's governance framework.		Action substantially completed.		Action still in progress		No action taken
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Extract from April 2021 update report					Summary of Internal Audit work - Evidence obtained and seen
Ref	Recommendation	Action	Progress made to date	Updated Deadline	
1a(iv)	The Executive Director Children Families and Education needs to address the underlying causes of social care overspends in children's social care and take effective action to manage both the demand and the resulting cost pressures.	iv) Secure independent external challenge through the Partners in Practice programme to enable valid judgements to be made about the correct level of funding to meet the needs of Croydon's children in care.	<p>Report from LB Camden received under Partners in Practice Programme – December 2020</p> <p>Independent Financial Adviser commissioned by the DfE to provide expert challenge and support commenced on 22/2/21 for a period of 9 months.</p>	<p>Complete</p> <p>Ongoing support until November 2021</p>	<p>Copies of parts 1 and 2 of the 'Review of Croydon's Children Looked After Service' by the London Borough of Camden, dated 'October/November 2020' and 'December 2020' respectively were obtained. Part 1 looked at proposals for the redesign of the service, while Part 2 looked at (a) commissioning arrangements, (b) the changing needs/profile of children looked after and unaccompanied asylum seeking children, (c) the availability and resourcing of good quality services, (d) transitions issues and permanency planning.</p> <p>Examination of the 'Croydon Financial Transformation Advisor Spec 221220' and the 'DfE Advisor Report May 2021' confirmed that a DfE advisor commenced their <i>'role on 22 February 2021 on a 9 month contract to look at improvements and transformation within Croydon's Children's Services Finance'</i>. The 'DfE Advisor Report May 2021' being an 'Initial Progress Report' detailing actions and recommendations to date, as well as future tasks.</p>
1b(i)	The Executive Director Health, Wellbeing and Adults needs to address the underlying causes	i) Commission a diagnostic of spend and opportunities to be carried out by the	This was carried out and used during November 2020 to inform development of the	COMPLETE	It was confirmed that the 'Observations of Croydon Adult Social Care' by the Local Government Association (dated 5 November

Extract from April 2021 update report					Summary of Internal Audit work - Evidence obtained and seen
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	of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.	Local Government Association (LGA) National Care & Health Improvement Adviser Finance and Risks to inform future shape of transformation opportunities.	Adult Social Care Improvement Plan		2020) were presented as part of the 'ACS Budget Workshop' in November 2021.  The 'Adults Social Care Improvement Plan 2021 – 2024' confirms in paragraph 1.3 that, ' <i>Working closely with a Local Government Association (LGA) Adults and Finance expert, we have reviewed every aspect of our budget. We have modelled plans to deliver significant savings over three years, based on LGA recommendations.</i> '
1b(ii)	The Executive Director Health, Wellbeing and Adults needs to address the underlying causes of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.	ii) Review the current service delivery models of adult social care and gateway services to right size the budget and delivery model to benchmark with comparator Councils in relation to population and service outcomes.	Data has been collected which provides benchmarking of Croydon ASC care spend vs other Councils, this was factored in to the Adult Social Care Improvement Plan.  Budget modelling has been agreed for ASC for 21/22 budget. Service modelling forms part of adult's improvement plan.	COMPLETE	The 'Adult Social Care Benchmarking 2019-20' report dated 31 December 2020 demonstrates that the Council had benchmarked against the 152 Councils with Adult Social Care Services Responsibilities in England for the period 1 April 2019 to 31 March 2020.  The 'Health, Wellbeing and Adults Budget Development Session' dated 1 October 2020, the 'ACS Budget Workshop' in November 2021 and the Adults Social Care Improvement Plan 2021 – 2024' and the presentation of the Executive Director of Health, Wellbeing and Adults to the Scrutiny Health & Social Care Sub-Committee on 26 January 2021 all included benchmarking data.  The Care Cubed tool (detailed in 1b(iii) below) is being trialled to provide the ability to benchmark placements costs with other councils.  As detailed in 1B(iv) below, examination of the Croydon Adults Improvement Plan and the Adult Social Care Budget presented to the Scrutiny Health & Social Care Sub-Committee on 26 January 2021 confirmed that budget modelling was agreed in the 2021/22 budget and that service modelling forms part of the Adults Improvement Plan.



Extract from April 2021 update report					Summary of Internal Audit work - Evidence obtained and seen
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1b(iii)	The Executive Director Health, Wellbeing and Adults needs to address the underlying causes of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.	iii) To create a placements board to challenge the Council on current cost of placements, managing demand for new placements and ensuring value for money in procurement of placements	<p>Placements boards have been implemented in the Council to challenge placements and reduce expenditure.</p> <p>Daily challenge panel has been in place since S114. All spend is then promoted to the Spend Control Panel, as agreed with then S151 Officer.</p> <p>Placements programme is in place with an agreed scope. Funding also agreed for Care Cubed placements tool agreed at ELT on 8 March 21.</p>	COMPLETE	<p>The 'Placements and packages of care across Children's and Adult's Social Care 2020/21' presentation dated 19 October 2020, as well as the subsequent 'Placements Programme Workstreams – Systems Processes and Payments' dated 26 November 2020 both detailed that:</p> <ul style="list-style-type: none"> <li>A 'Daily Panel – Director / Exec Director to sign off new placements (Res/Nursing)' was actioned and in place. Enquiry clarified that Adult Social Care has a challenge panel at 9am Monday to Friday where cases are presented for approval. The panel consists of the Interim Executive Director (usually) plus a selection of Adult Social Care Heads of Service and a Finance Manager. The case workers have to complete a template which is submitted prior to challenge panel. Each case is reviewed, challenged and a decision on the care is made, (sometimes this will be for a limited time with a requirement for the case worker to re-present, so it is not always a simple yes or no.) The decisions are recorded each day and a summary circulated at the end of each week.</li> <li>A 'placements programme' was in place. Review of the 'Placements and contracts Programme' task pages on Teams showing the progress of the various projects also confirmed the programme to be in place and actively being progressed.</li> </ul> <p>The 'Overview Of The 2021-22 Adult Social Care Financial Performance' report provided to the Scrutiny Health &amp; Social Care Sub-Committee at</p>

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					<p>the meeting held on 29 June 2021 confirms that, 'A further £0.026m transformation investment was agreed in Feb 21 for the purchase of a tool called Care Cubed. This allows the service to benchmark placements costs with other councils, enabling stronger provider negotiations.'</p> <p>The copy of the Care Cubed contract provided, confirms that, 'iESE will provide Licensee with access to CareCubed for one year from 1st April 2021 and ending on 31st March 2022' with the option to extend this.</p> <p>An update on Care Cubed by the Head Of Innovation And Change further confirmed that:</p> <ul style="list-style-type: none"> <li>• A series of training was scheduled and had been completed.</li> <li>• Progress was focussed on testing the tool within the Reviews Progression project team.</li> <li>• Analysis is due by end of September 2021 on the cases reviewed using Care Cubed.</li> </ul>
1b(iv)	The Executive Director Health, Wellbeing and Adults needs to address the underlying causes of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.	iv) Use the output from the diagnostic review to remodel financial implications to help shape the Medium Term Financial Strategy (MTFS)	<p>Diagnostic review and benchmarking data has been used to shape the Adult Social Care Improvement plan.</p> <p>Croydon Adults Improvement plan has been fully developed and aligned to budget as signed off at March Cabinet. LBC delivery tracker being updated fortnightly.</p>	COMPLETE	<p>Documents seen for 1b(i), (ii), (iii) above confirm that diagnostic review and benchmarking data has been used to shape the Adult Social Care Improvement plan.</p> <p>Parts 6 and 7 of the Croydon Adults Improvement plan detail the 'Current budget development' and 'Year one and medium term financial strategy proposals' clearly aligning the Plan to the 2021/22 Budget. Likewise the Adult Social Care Budget presented to the Scrutiny Health &amp; Social Care Sub-Committee on 26 January 2021 summarised that, 'Adult social care continues to be under pressure nationally and locally. The outturn for 2016/17, 2017/18, 2018/19 and 2019/20</p>

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					<i>demonstrated both an increase in costs and increased use of transformation monies to meet current demand and increased complexities. Increasingly we are seeing residents who fund their own care running out of money, often referred to as 'wealth depleters'. A change in the way we deliver social care in order to reduce spend and live within our available resources is underway.'</i>
2(i)	The Council (including Cabinet and Scrutiny and Overview Committee) should challenge the adequacy of the reserves assessment which should include a risk assessment before approving the budget.	i) Develop a reserves strategy as part of the Medium Term Financial Strategy (MTFS) and present it for approval with the Budget reports to Cabinet and Full Council. This needs to incorporate a clear assessment of risks and liabilities that demonstrate all current and future exposure has been thought through and factored into the recommendations. Strategy to map the financial governance process around agreeing additions to reserves to be included to reduce risk of duplication and that there were no gaps in approach.	The MTFS and 21/22 Budget agreed on 8th March contains a clear strategy for growing the reserves base up to a level which by 23/24 would give a general fund reserve in excess of £60 million.	COMPLETE	Examination of the 'Budget Report 2021/22' presented to Cabinet on 8 March 2021 confirmed plans that '£20m is being earmarked as part of the 20/21 planned capitalisation directive for contribution to the General Balance. With a further increase of £10m 21/22.' (i.e. to increase reserves by £50m).  The updated MTFS presented to Cabinet 12 July 2021 confirmed that, 'Part of the approved capitalisation direction request in 2020/21 contained provision to bolster general reserves by a further £15.0m in order to provide sufficient resilience to meet future risks and challenges. The 2021/22 base budget has £10m of contributions to reserves and the MTFS provides for a further £5m of reserves contribution in 2022/23 and a further £5m in 2023/24. This will result in a total of additional £45m in reserves by the end of 2023/24 which should leave a General Fund Reserve balance of £72.5m.'
2(ii)	The Council (including Cabinet and Scrutiny and Overview Committee) should challenge	ii) In considering future budget reports, Cabinet will assure itself that all risks	From April 2021 Financial Monitoring reports will be provided to Cabinet on a	COMPLETE	It was confirmed that 'Financial Monitoring' reports were provided to Cabinet from April 2021, with the:

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	the adequacy of the reserves assessment which should include a risk assessment before approving the budget.	and liabilities have been properly considered by requesting that the Scrutiny & Overview Committee and the General Purposes and Audit Committee review the adequacy of the strategy and its relationship to the MTFS prior to Cabinet taking a decision.	<p>monthly basis to ensure Members have increased oversight on any emerging pressures or movements.</p> <p>The 21/22 Budget was reported to Scrutiny on 16th February 2021 and comments were verbally reported to cabinet on 8th March 2021.</p> <p>Future year's timescales will need to include time for both this and reference to GPAC and Scrutiny Cross reference to LBC rec 3 as this will form part of the wider Member Development Programme to be developed and agreed</p>		<ul style="list-style-type: none"> <li>• 'Financial Performance Report – Period 11' report provided on 4 May 2021,</li> <li>• 'Financial Performance Report – Month 1' on 7 June 2021,</li> <li>• 'Financial Performance Report – Outturn 2020/21' on 12 July 2021,</li> <li>• 'Financial Performance Report – Month 2' on 26 July, and the</li> <li>• 'Financial Performance Report – Month 3' scheduled for the meeting to be held on 13 September 2021.</li> </ul> <p>Examination of the Scrutiny Committee minutes of the meeting held on 16 February 2021 confirmed that the draft 2021/22 budget was reported to this meeting. Examination of the 'Budget Report 2021/22' presented to Cabinet on 8 March 2021 confirmed that item 21 reported that the 21/22 draft budget had been reported to the Scrutiny Committee.</p> <p>Dates for Scrutiny and GPAC are on the Corporate Forward Plan for the 2023/23 Draft Budget</p>
5(i)	The General Purposes and Audit Committee should receive reports on the actions being taken to address the Dedicated Schools Grant deficit and challenge whether sufficient progress is being made.	i) The Dedicated Schools Grant recovery plan should be presented to General Purposes and Audit Committee and Scrutiny and Overview Committee for review and agreement to ensure that it is adequate to meet objectives and timelines that have been set.	Reviewed at GPAC 4 March 2021	COMPLETE	The minutes of the General Purposes and Audit Committee meeting held on 4 March 2021 are not yet available. Examination of the agenda for the meeting confirms that item 6 was a paper on the 'Dedicated Schools Grant', but that this was an item for the Committee to 'Note' and not to agree or to challenge. However, the 'podcast' of the meeting clearly evidences that members sought clarification and challenged this item.

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Ref	Recommendation	Action	Progress made to date	Updated Deadline	
5(ii)	The General Purposes and Audit Committee should receive reports on the actions being taken to address the Dedicated Schools Grant deficit and challenge whether sufficient progress is being made.	ii) Special Educational Needs Finance Board to be established and chaired by the interim Director of Education to oversee the delivery of the Dedicated Schools Grant recovery plan.	Initial meetings held with further meetings to be scheduled to update on the progress of the DSG recovery plan.	COMPLETE	<p>Examination of the 'SEND Finance Board: Terms of Reference' confirms that the objectives of the Board includes to, '<i>Ensure that milestones in relation to the SEND DfE recovery plan and management plan are being met through regular monitoring of this.</i>'</p> <p>Examination of the Executive Director of Children, Families and Education's Outlook calendar confirmed that the SEND Finance Board met on 19 July 2021, with monthly meetings being diarised until the end of the calendar year.</p>
5(iii)	The General Purposes and Audit Committee should receive reports on the actions being taken to address the Dedicated Schools Grant deficit and challenge whether sufficient progress is being made.	iii) Training to be provided to members to ensure the committee possess a working understand of education funding and budgets	DSG training has been delivered to members of Scrutiny Committee, Labour Group and Conservative Group	COMPLETE	<p>A copy of the PowerPoint slides 'Dedicated Schools Grant (DSG) funding for Croydon' has been provided.</p> <p>The Chair of the Children's &amp; Young People Sub-Committee confirmed that they had a briefing at 2pm on 12 January 2021.</p> <p>As noted in LBC Rec. 3 (ii) below, the 'Member Learning and Development Needs 2021-22' includes 'Education Funding and Budgets' which was 'Delivered to CYP Scrutiny and members of both Cons and Lab Groups' in January 2021.</p>
6(i)	The Executive Director Children, Families and Education needs to review the services provided to UASC and to identify options to meet their needs within the grant funding provided by the Home Office.	i) Complete a forensic review of grant income against the total expenditure for unaccompanied asylum seeking children and care leavers over the past 3 years, including the co-ordination of pan-London arrangements.	Review completed and is informing Council's approach to UASC support offer.	COMPLETE	<p>The forensic review was undertaken by the Executive Director of Children, Families and Education, and the Interim Head of Quality Improvement for that department, with modelling by the Independent Financial Adviser commissioned by the DfE (refer to 1a(vi) above). This included both unaccompanied asylum seeking children and care leavers.</p> <p>The subsequent report to Cabinet on 7 June 2021 also confirms that detailed modelling took place for unaccompanied asylum seeking children.</p>

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7(i)	The Executive Director Children, Families and Education needs to identify the capacity threshold for the numbers of UASC that it has the capacity to deliver safe UASC services to.	i) Draw on the analysis and review at 6 (i) to develop options to establish a capacity threshold for Croydon for unaccompanied asylum seeking children that is commensurate with other Local Authorities and in line with the nationally agreed standards and funding.	The voluntary national rate is the equivalent of 0.07% of the child population. In Croydon that equates to 66 children. This underpins the forensic review and modelling completed in 6i	COMPLETE	The report to Cabinet on 7 June 2021 explains that if the Borough no longer accepts new unaccompanied asylum-seeking children into care, then the number of such children under 18 in the Borough will fall to 66 by 2023/24. The report also acknowledges that this will not substantially reduce the number of asylum seeking care leavers in the Council's care over that same period.
9(i)	The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.	i) To support the Annual Budget setting process Budget Development Meetings will be held for each department and will be attended by Executive Directors, Corporate Leadership Team and Members with accountability for their service area and staff who are responsible for service delivery that understand what impact growth and savings plans will have on the services. To support this process Members will be provided with a clear set of proposals that demonstrate cost pressures (growth) and savings opportunities with narrative and comparators on budget and outcomes delivered to	Proposals were provided to members with a formal decision in November Cabinet. Saving opportunities for 21/22 were set out across all services and have been incorporated into delivery of Croydon Renewal Plan.  The Council recognises further savings will be necessary to achieve a sustainable budget in the long term. Discussions for further savings next year will be scheduled starting from April 2021.	COMPLETE	Item 87/20b to the Cabinet meeting held on 25 November 2021 was to: <ul style="list-style-type: none"> <li>• <i>'Consider the additional in-year savings for 2020/21 that will be presented to the extraordinary meeting of Full Council on 1 December 2020 to respond to the S.114 notice.'</i></li> <li>• <i>Consider and recommend to Full Council the savings proposals for consultation as set out in this report for the Medium Term Financial Strategy and 2021/24 and note that consultation will begin on 9 December 2020.'</i></li> </ul> Appendix B of the paper, the 'Schedule of Proposals for Savings & Investment in 2021/22' provided narrative explaining each savings proposal.  The MTFS update report to the Cabinet meeting on 12 July 2021 detailed that, <i>'Further detailed work around Budget Development is ongoing within the Council and it is too early at this stage to reflect any specific details as such plans have not been fully validated.'</i>



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		describe the impact of the decisions that are required to be taken			It was also confirmed that a 'Budget Development Group' had been set up, with updates on the work of the Group being provided to the ELT meetings held on 4 and 10 August 2021.
9(ii)	The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.	ii) To support the budget exercise the Council will seek external support to test the draft budget proposals, seek ideas and good practice and will take the same approach by seeking support for the scrutiny process.	Various support from external sources has been utilised to date to offer capacity and advice. This includes the LGA, Council peers and CIPFA. The Council will continue to use such opportunities moving forward.	COMPLETE	<p>It is evident that the Council has received support and advice from a variety of external sources, including the LGA, the MCHLG and CIPFA, leading up to and subsequent to the S114 notice being issued in 2020. This has also included temporary appointment of experts, such as Financial Consultants, the Governance Improvement Adviser and the Improvement Plan Support Officer, each of whom also have networks to draw from.</p> <p>An example would be, as detailed in 1A(iv) above, the appointment of a DfE advisor, who commenced their 'role on 22 February 2021 on a 9 month contract month contract to look at improvements and transformation within Croydon's Children's Services Finance'.</p> <p>Another example would be that each of the ELT Away Day Cost Comparison exercises in January 2021 clearly drew on MCHLG data to help benchmark costs.</p>
9(iii)	The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.	iii) Develop a budget savings tracker that profiles savings by month to enable Members to track that savings are on target. This will need to correlate with the finance, performance and risk reporting that Council will introduce.	An in year savings tracker has been developed to monitor identified savings and escalate any delivery challenges. In year savings are rag rated based on confidence in delivery.	COMPLETE	<p>It was confirmed that a 'LBC Delivery Tracker' Power BI tool has been internally developed by the Council to monitor each of the agreed savings. Screen prints from the tool demonstrate that monthly progress is detailed for each saving, along with a RAG rating on progress and likelihood of achievement.</p> <p>It was also confirmed that 'Financial Monitoring' reports were provided to Cabinet for months 1 and 2 of 2021/22, which provided a summary of</p>

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Ref	Recommendation	Action	Progress made to date	Updated Deadline	
					the 'MTFS Savings risk' (i.e. the savings at risk for each month).
9(iv)	The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.	iv) To increase understanding of the choices Cabinet Members are making with regards to the emerging budget and to effectively challenge budget assumptions, Scrutiny and Overview Committee Members to receive regular briefings on the progress of budget setting.	<p>Budget Discussions were conducted across January and February 2021. This included focused discussion on the 21/22 budget for specific directorates. Discussion took place at Children and Young People Sub-Committee, Health &amp; Social Care Sub-Committee, at Scrutiny, Streets, Environment &amp; Homes sub-committee and finally the Scrutiny &amp; Overview Committee.</p> <p>The Council will continue to keep Scrutiny committees sighted on budget matters.</p>	COMPLETE	<p>Discussion confirmed that budget discussions were held. Information obtained in support of 1b(ii) above helped substantiate this, for example the 'Health, Wellbeing and Adults Budget Development Session' dated 1 October 2020 and the 'ACS Budget Workshop' in November 2021. It was confirmed that budget reports were taken to the :</p> <ul style="list-style-type: none"> <li>• The Scrutiny Children &amp; Young People Sub-Committee meeting held on 19 January 2021</li> <li>• The Scrutiny Streets, Environment &amp; Homes Sub-Committee meeting held on 2 February 2021</li> <li>• The Scrutiny and Overview Committee meeting held on 16 February 2021</li> <li>• The Scrutiny Health &amp; Social Care Sub-Committee meeting held on 26 January 2021</li> </ul> <p>The Council's Forward Plan includes an item for 'Budget Scrutiny, including questions to the Leader and Cabinet Members' for the Scrutiny and Overview Committee in February 2022.</p>
9(v)	The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.	v) To review the budget setting-timetable to ensure that the Scrutiny & Overview Committee has the time to digest and review the budget proposals and underlying assumptions and for Cabinet to respond fully to any challenge or comments	The Council is taking action to ensure budget discussions happen at an earlier date and more opportunities are offered to members to offer input into the budget and review its management. These actions include finalisation of Council meetings forward plan up	COMPLETE	<p>The copy of the forward plan provided is up to the 31 March 2022 and includes monthly financial performance updates at Cabinet as well as dates for budget review and approval in January and February 2022.</p> <p>As noted in LBC Rec. 3 (ii) below, the 'Member Learning and Development Needs 2021-22' includes:</p>



Extract from April 2021 update report					Summary of Internal Audit work - Evidence obtained and seen
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		and for Cabinet to be able to consider changing its proposals.	<p>until April 2022 with dates marked for policy discussions and monthly financial performance updates at Cabinet.</p> <p>Additionally, budget developments meetings will begin in Spring 2021 as opposed to Autumn meaning savings will be identified and shared with members earlier in year.</p>		<p>1) 'Series of Finance Training' of which Treasury Management was delivered in March 2021, with sessions on 'Financial management / Budget setting', 'Financial Strategy and Monitoring', 'Commercial Investment', 'Council's funding sources / reserves', 'Transformation funding' and 'Commissioning and Procurement being planned.</p> <p>2) 'Education Funding and Budgets' which was 'Delivered to CYP Scrutiny and members of both Cons and Lab Groups' in January 2021.</p> <p>3) 'Adult Social Care Budget' which was a 'Briefing held for members of the Health and Social Care Sub-Committee' in June 2021.</p> <p>The MTFS update report to the Cabinet meeting on 12 July 2021 detailed that, 'Further detailed work around Budget Development is ongoing within the Council and it is too early at this stage to reflect any specific details as such plans have not been fully validated.'</p> <p>It was also confirmed that a 'Budget Development Group' had been set up, with updates on the work of the Group being provided to the ELT meetings held on 4 and 10 August 2021.</p>
11(i)	The s151 officer needs to revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme.	i) The Council have commissioned PwC to undertake a strategic review of the Growth Zone with completion expected November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	PwC report to cabinet made recommendations on future of GZ. These are now being implemented.	COMPLETE	It was confirmed that the PwC report was produced and was reported to the Cabinet meeting held on 25 November 2020, which included a review of the Growth Zone. This report detailed that, ' <i>Given the current economic uncertainty, the steps the Council have taken to review and revise down the ambitious investment plan for Growth Zone are sensible</i> ' and that, ' <i>Any subsequent increase in planned investment should be supported by a business case and taken through</i>

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					<p><i>robust governance and sign off processes for full scrutiny.'</i></p> <p>A subsequent paper specifically on the Growth Zone was approved at the Cabinet meeting held on 22 March 2021. The paper sought approval to continue to fund key priority projects and activities in the short term, while a further report would be brought back to Cabinet later in the year setting out future years' capital expenditure requests for the Growth Zone programme.</p> <p>The Council's forward planner details that a 'Growth Zone Update' be presented to Cabinet in December 2021.</p>
11(iii)	The s151 officer needs to revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme.	iii) Cabinet paper with revised profile and recommendations to be issued March 2021.	See 11ii	COMPLETE	As 11(ii) above
11(iv)	The s151 officer needs to revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme.	iv) The Council needs a mechanism in place to review projects to use the learning to inform any future work. This should be extended across all areas of the Council, with learning retained centrally as a corporate resources.	Project closure process in place as part of the governance of all projects.	COMPLETE	<p>A working group, including the members of the Council's Programme Management Office, is in place to review and revise the Council's 'Programme Management Framework' and meets every Tuesday.</p> <p>The draft of the revised 'LBC Project and Programme management Framework' document produced by the working group, includes the requirement for a Project Closure document (including lessons learned) to be completed and approved for each project. <b>This is; however, not yet an embedded process.</b></p>

Extract from April 2021 update report					Summary of Internal Audit work - Evidence obtained and seen
Ref	Recommendation	Action	Progress made to date	Updated Deadline	
12(i)	The s151 officer should review the financial rationale and associated risks and make recommendations to Cabinet and Council on whether the Revolving Investment Fund should continue.	i) The Council have commissioned PwC to undertake a strategic review of the Revolving Investment Fund with completion expected in November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	Report by PwC on governance & strategic review delivered in November 2020 to Cabinet.  Treasury Management strategy updated 1st March 2021 limits new lending under the RIF to BBB working capital loans only	COMPLETE	It was confirmed that the PwC report was produced and was reported to the Cabinet meeting held on 25 November 2020, which included a review of the Revolving Investment Fund. The paper detailed that, ' <i>The RIF has not been revolving, because very few of the loans have repaid with £208.8m* tied up in BBB loans with no interest received to date.</i> '  The Treasury Management Strategy Statement, Capital Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2021/2022 approved by Cabinet at the meeting held on 1 March 2021 detailed that, ' <i>No new investments other than a loan for working capital to Brick by Brick will be made in 2021/22.</i> ' This was also presented to Council on 8 March 2021, but minutes of this meeting are not yet available.
12(ii)	The s151 officer should review the financial rationale and associated risks and make recommendations to Cabinet and Council on whether the Revolving Investment Fund should continue.	ii) Recommendations to be presented alongside budget review in Feb 2021 to Cabinet, General Purposes and Audit Committee and Scrutiny and Overview	See recommendation 12i	COMPLETE	As 12(i) above  Although no report/s were provided to the General Purposes and Audit Committee on this.
12(iii)	The s151 officer should review the financial rationale and associated risks and make recommendations to Cabinet and Council on whether the Revolving Investment Fund should continue.	iii) Cabinet paper with recommendations to be issued March 2021.	See recommendation 12i	COMPLETE	As 12(i) above
13(i)	The s151 officer should review the purchase of Croydon Park	i) The Council have commissioned PwC to	On February 18th Cabinet agreed the approach set out	COMPLETE	It was confirmed that the PwC report was produced and was reported to the Cabinet

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	Hotel to identify lessons learned to strengthen future due diligence arrangements.	undertake a strategic review of assets that have been purchased with completion expected in November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	in the Interim Assets Strategy. This included, in the appendices, options for an approach on the future of Croydon Park Hotel. An update with a decision on the future of Croydon Park Hotel is provisionally scheduled for September 2021.		meeting held on 25 November 2020, which included a review of the Asset Investment Fund, including the purchase of the Croydon Park Hotel. Appendix 2 and part 8 of the Interim Assets Disposal Strategy report approved by Cabinet at the meeting held on 18 February 2021 was a 'Summary of Options considered for Croydon Park Hotel.' The agreed action/s was to: <ol style="list-style-type: none"> <li>1) Appoint real estate advisors to prepare the marketing strategy for approval by the Council to be procured under the Council's Tender and Contract Regulations.</li> <li>2) Subject to approval of the strategy, the Council will then seek to appoint the firm to manage the sales process and present bids/offers for the Council to approve also to be procured under the Council's Tender and Contract Regulations.</li> </ol>
13(iii)	The s151 officer should review the purchase of Croydon Park Hotel to identify lessons learned to strengthen future due diligence arrangements.	iii) Review and re-write the asset investment strategy that was approved by Cabinet in October 2018 incorporating advice from each of the Strategic Reviews. The review will explicitly consider best practice from the sector and lessons learned from other local authorities, the external auditor and the National Audit Office on effective investment practice.	Interim Asset Strategy has been approved at February 18th Cabinet to fast track income generation and achieve "quick wins."  A 3 year 21-24 Asset Strategy is being developed provisionally set for January 2022 Cabinet.	COMPLETE	The Interim Assets Disposal Strategy report was approved by Cabinet at the meeting held on 18 February 2021. There was no evidence of the Asset Investment Strategy being reviewed. The Council's forward planner details that an 'Asset Management Plan 2022-24' will be presented to Cabinet in January 2022. The Interim Executive Director of Place has asserted that work in developing an investment strategy has progressed, but Internal Audit is yet to receive evidence of this.

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13(iv)	The s151 officer should review the purchase of Croydon Park Hotel to identify lessons learned to strengthen future due diligence arrangements.	iv) Cabinet paper with recommendations to be issued March 2021. Update to be provided at Scrutiny on 9th February	The Interim Assets Disposal Strategy, was discussed at both Cabinet and Scrutiny & Overview Committee in February	COMPLETE	The Interim Assets Disposal Strategy report was approved by Cabinet at the meeting held on 18 February 2021.
14(i)	The Cabinet and Council needs to re-consider the Treasury Management Strategy for ongoing affordability of the borrowing strategy, the associated risks and identify whether alternative options can reduce the financial burden.	i) The Treasury Management Strategy will be reviewed as part of the budget setting for 2021/22 and will take into consideration the outcome of the strategic reviews to factor in the overall financial position and best practice from other local authorities. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	Treasury Management strategy updated and agreed by Council on 8th March 2021	COMPLETE	The Treasury Management Strategy Statement, Capital Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2021/2022 was approved by Cabinet at the meeting held on 1 March 2021.  The above document along with 'Council Tax and Budget' was also presented to Council at the meeting held on 8 March 2021. The minutes of this Council meeting are not yet available.
14(ii)	The Cabinet and Council needs to re-consider the Treasury Management Strategy for ongoing affordability of the borrowing strategy, the associated risks and identify whether alternative options can reduce the financial burden.	ii) The outcome of the strategic reviews that the Council have commissioned will inform the Treasury Management Strategy for 21/22 onwards and any changes in governance that may be required.	See recommendation 14i	COMPLETE	As 14(i) above.
15(i)	The Chief Executive should arrange detailed Treasury Management training to assist Members to better understand and challenge the long-term	i) Members to attend training sessions facilitated by the Local Government Association to cover treasury management to	Treasury management training was offered to all members on the 3rd March 2021.	COMPLETE	The 'Member Learning and Development Needs 2021-22' includes a 'Series of Finance Training' of which Treasury Management was delivered on in March 2021. A copy of the diary entry of the training held on 3 March 2021 for 'Treasury

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	financial implications of matters reported within the Treasury Management Strategy.	enable better and effective financial leadership.	Session was recorded and will be distributed to all Members and all budget managers.		Management Training' was obtained that confirmed that all members of the Council had been invited. It was confirmed that a copy of the recorded training session – 'Treasury Management Training-20210303_170739-Meeting Recording.mp4' had been retained on SharePoint.
16(i)	The s151 officer should revisit the Minimum Revenue Provision policy to demonstrate that a prudent approach is being taken.	i) Link Asset Management has been commissioned to carry out a review of the Minimum Revenue Position policy. The report with recommendations will be discussed with General Purposes and Audit Committee and then on to Cabinet.	Minimum Revenue Provision Policy Statement 2020/21 went to Cabinet 1st March as part of the Treasury Management Strategy.	COMPLETE	The Treasury Management Strategy Statement, Capital Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2021/2022 approved by Cabinet at the meeting held on 1 March 2021, as the title alludes, included a 'Minimum Revenue Provision Policy Statement.' There is no evidence of the report being first discussed with the General Purposes and Audit Committee.
17(ii)	The Cabinet and Council should reconsider the financial business case for continuing to invest in Brick by Brick before agreeing any further borrowing.	ii) Council to review the risks relating to Brick by Brick to ensure they are appropriately listed on the risk register	The Risks for Brick by Brick have been reviewed and are as follows per the Corporate Risk Register:  1. Investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC).  2. There is no effective challenge, review, investigation or ownership	COMPLETE	It was confirmed that risk RCS0027 ' <i>There is no effective challenge, review, investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC)</i> ' was added to the was added to the Council's risk management system on 19 May 2021. The following risks, relating specifically to Bick by Brick and other subsidiaries were also noted, namely: <ul style="list-style-type: none"><li>Risk FIR051 '<i>Risk of financial loss and reputational damage due to the poor performance of Brick By Brick including the Fairfield Halls refurbishment project.</i>'</li></ul>



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			<p>taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC).</p> <p>**These risks specifically relate to financial strategy, treasury management strategy (including borrowing), capital investment strategies and appropriateness of continuing investment and association with BBB**</p> <p>The Corporate Red Risk Register is reviewed monthly at ELT to review and update risks where necessary.</p>		<ul style="list-style-type: none"> <li>Risk FIR036 '<i>Robust governance &amp; risk management procedures/frameworks are not activated to safeguard the interests (financial &amp; reputational) of the Council and it's taxpayers within all subsidiary organisations where the Council has an interest.</i></li> </ul>
18(i)	The Cabinet and Council should review and reconsider the ongoing financial rationale for the Council in the equity investment arrangement with Brick by Brick.	i) PwC has been commissioned to undertake a strategic review of Brick by Brick. The report and recommendations will consider the ongoing financial rationale and equity invested and will detail options for the Council that will be considered by the Scrutiny & Overview Committee Cabinet prior to being presented to Cabinet.	<p>This paper went to Scrutiny &amp; Overview Committee and Cabinet in February 2021.</p> <p>The Cabinet paper noted that the Council has never made any equity payments, as planned, and is not in the financial position to do so. It was noted BBB sales proceeds were meant to be placed in an account for the Council to apply interest repayment and, if excess, to</p>	COMPLETE	<p>It was confirmed that the PWC report was produced and was reported to the Cabinet meeting held on 25 November 2020, which included a review of Brick by Brick and also the Revolving Investment Fund. The paper detailed that, '<i>The RIF has not been revolving, because very few of the loans have repaid with £208.8m* tied up in BBB loans with no interest received to date.</i>'</p> <p>A report on the 'Review of Brick by Brick Croydon Ltd' was approved by Cabinet on 18 February 2021 that '<i>revised funding arrangements be entered into with Brick by Brick to reflect the current loan positions and proposals for the future, including, where relevant, moving</i></p>

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			<p>substantive loan repayment. Unfortunately, this process has not occurred and instead sale proceeds were retained by BBB effectively replacing the Council's equity share.</p> <p>The Council needs to review existing arrangement, change the current agreements or replace it with fresh loans.</p> <p>It is recommended that the current arrangements continue but in a modified way to give Brick by Brick capacity to have working capital to ensure that funds are available to build out units on site</p>		<p><i>to a 100% debt funding position (as opposed to 25% equity and 75% debt); extending relevant loans and repayment periods; allowing delays with repayments of existing loans; agreeing to further funding of no more than £9.99 million in relation to sites proposed for Brick by Brick to continue developing ...'</i> This was also presented to Council on 29 March 2021, but the minutes of this meeting are not yet available.</p> <p>The Treasury Management Strategy Statement, Capital Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2021/2022 approved by Cabinet at the meeting held on 1 March 2021 detailed that, '<i>No new investments other than a loan for working capital to Brick by Brick will be made in 2021/22.</i>' This was also presented to Council on 8 March 2021, but minutes of this meeting are not yet available.</p>
LBC Rec. 3 (ii)	Ensuring that Members are appropriately trained across all aspects of the Council's financial duties and responsibilities	ii) Further work on Cabinet development will be undertaken to support members to explore priorities for the new Cabinet, agree how the Members will work together to make the most of shared skills and consider individual and collective leadership styles and ways of working.	LGA have carried out a facilitated session for Cabinet members	COMPLETE	<p>The 'Member Learning and Development Needs 2021-22' includes as item 7 'LGA Training for Cabinet' which is ongoing. The notes for this course detail that 'LGA have carried out a facilitated session for Cabinet – in progress.'</p> <p>The 'Member Learning and Development Needs 2021-22' also included:</p> <ol style="list-style-type: none"> <li>1) A 'Series of Finance Training' of which Treasury Management was delivered in March 2021, with sessions on 'Financial management / Budget setting', 'Financial Strategy and Monitoring', 'Commercial Investment', Council's funding sources /</li> </ol>



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					reserves', 'Transformation funding' and 'Commissioning and Procurement being planned. 2) 'Education Funding and Budgets' which was 'Delivered to CYP Scrutiny and members of both Cons and Lab Groups' in January 2021.
LBC Rec. 4 (viii)	The Council develops an improvement programme that has the necessary elements for it to function effectively and within its financial resource.	viii) Ensure the actions contained in this plan are supported by a corporate programme office that can provide assurance to Members.	A PMO office has been established dedicated to coordinating and supporting the delivery of key improvement actions across the Council. This includes recommendations in the MHCLG Rapid Review, the RIPI and the Croydon Renewal Plan.	COMPLETE	It was confirmed that a Project Management Office (PMO) has been established. The Council's intranet details that, ' <i>The PMO was set up in April 2020 to ensure the Council approach to delivering programmes and projects is both consistent and thorough.</i> '  It was also confirmed, (in completing this internal audit work to confirm the completed RIPI actions), that a Business Improvement Officer from the PMO had been specifically assigned to help co-ordinate and support the delivery of the RIPI actions.
LBC Rec. 4 (ix)	The Council develops an improvement programme that has the necessary elements for it to function effectively and within its financial resource.	ix) Corporate level sponsorship to be allocated to all projects to ensure clarity of responsibility for delivery	ELT members already allocated across all actions. Further project managers to be identified to deliver the recommendations	COMPLETE	Examination of the RIPI action plan confirms that each action has been assigned to an ELT member.

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# Agenda Item 9

<b>REPORT TO:</b>	<b>GENERAL PURPOSES &amp; AUDIT COMMITTEE</b> 16 <sup>th</sup> September 2021
<b>SUBJECT:</b>	<b>Internal Audit Update Report</b> To 31 July 2021
<b>LEAD OFFICER:</b>	<b>Dave Phillips, Interim Head of Internal Audit</b>
<b>CABINET MEMBER:</b>	<b>Councillor Callton Young</b> <b>Cabinet Member for Resources and Financial Governance</b>
<b>WARDS:</b>	<b>ALL</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> Internal Audit's work helps the Council to improve its value for money by strengthening financial management and supporting risk management. Strengthening value for money is critical in improving the Council's ability to deliver services which, in turn helps the Council achieve all its visions and aims. The external auditor relies on the work from the internal audit programme when forming opinions and assessments of the Council's performance.	
<b>FINANCIAL IMPACT</b> The Internal Audit contract for 2021/22 is a fixed price contract of £372k and appropriate provision has been made within the budget for 2021/22.	

## 1. RECOMMENDATIONS

- 1.1 The Committee is asked to note the Internal Audit Report to 31 July 2021 (Appendix 1).

## 2. EXECUTIVE SUMMARY

- 2.1 This report details the work completed by Internal Audit so far during 2021/22 and the progress made in implementing recommendations from audits completed in previous years.

## 3. DETAIL

- 3.1 The Internal Audit report (Appendix 1) includes the following:
- a list of all audits completed so far in 2021/22, including audits relating to prior audit plans, but finalised after the start of the current year, and
  - lists of follow up audits completed and the percentage of priority one, and other audit recommendations implemented.
- 3.2 Internal Audit is responsible for conducting an independent appraisal of all the Council's activities, financial and otherwise. It provides a service to the whole Council, including Members and all levels of management. It is not an extension of, nor a substitute for, good management. The Internal Audit Service is responsible for giving assurance on all control arrangements to the Full Council through the General Purposes & Audit Committee and the Chief Financial Officer (also known as the Section 151 Officer). It also assists management by evaluating and reporting to them the effectiveness of the controls for which they are responsible.

## 4. FOLLOW-UP REVIEWS

- 4.1 When Internal Audit identifies risks, recommendations are made and agreed with service managers to mitigate these. The Council then needs to ensure that action is taken to implement audit recommendations. The Council's targets for audit recommendations implemented are 80% for all priority 2 and 3 recommendations and 90% for priority 1 recommendations. The performance in relation to the targets for 2016/17 to 2020/21 audits are shown Table 1.

**Table 1: Implementation of Audit Recommendations**

	Target	2016/17	2017/18	2018/19	2019/20	2020/21
Implementation of priority one recommendations at follow-up	90%	98%	100%	96%	90%	100%
Implementation of all recommendations at follow-up	80%	93%	94%	92%	90%	81%

## 5. PROGRESS AGAINST THE AUDIT PLAN

- 5.1 By 31 July 2021 **16%** (0% last year) of the 2021/20 planned audit days had been delivered and **4%** (0% last year) of the draft audit reports due for the year had been issued. Work on the 2020/21 internal audit plan is still ongoing, with **86%** of the 2020/21 planned audit days delivered and **59%** of the of the draft audit reports due for the year had been issued. It should be noted that all 2020/21 audits are started, with most nearing completion or being under management review. As reported in previous internal audit update reports, although the contractor had given assurances that the necessary resources were available to deliver the internal audit plan in-year, due to the organisation

not having the capacity to support a greater level of internal audit activity, the plan was not on time. The delays, also previously reported, having been caused by a number of factors, principle of which was the furloughing of our audit contractor's staff for around three months at the start of the year because of the COVID-19 pandemic.

## 6. FINALISED INTERNAL AUDIT REPORTS

6.1 All finalised internal audit reports are published on the Council's public internet site and these can be found at:

<https://www.croydon.gov.uk/democracy/budgets/internal-audit-reports/introduction>

6.2 In addition, the tables below set out the priority 1 and 2 issues identified at each audit finalised since the last update report to this committee. (Please note that, although some of these audits were included in the annual Head of Internal Audit Report in July 2021, these have been included here as the Committee would not have seen the breakdown of the priority 1 and 2 issues for these.)

6.3

<b>Creditors (including P2P) (Limited Assurance)</b>
<p><b>Priority 1 Issues</b></p> <ul style="list-style-type: none"> <li>• The orders for 5 of the sample of 17 transactions tested were raised either after delivery or after the invoice date.</li> <li>• The goods or services received check for four of the 17 transactions sampled preceded actual delivery.</li> <li>• The invoices for five of the sample of 17 transactions tested included client names (including children in care) thus potentially breaching the Data Protection Act 2018.</li> <li>• As at 28 September 2020 the Council had invoices totalling £25,757,492 on hold, of which £7,220,978 related to previous financial years (i.e. 2019/20 and prior) with oldest invoice on hold dating 8 May 2014.</li> </ul>
<p><b>Priority 2 Issues</b></p> <ul style="list-style-type: none"> <li>• Although 'Vacation Rules' (which allow those officers with delegated approval on Oracle to transfer their limits to other officers during a period of absence) were enabled, these were not being monitored to detect instances where these allowed the Council's Scheme of Delegation to be bypassed.</li> <li>• Examination of the Accounts Payable system records for a sample of five leavers (who were able to authorise orders), found an instance where the account of the leaver who was an interim member of staff had not been disabled. There was no evidence of approval of orders post them leaving.</li> <li>• Examination of the records for a sample of five newly set up authorised signatories, found that in one instance a signed 'Authorised Signatory' form was not available</li> <li>• Five instances were noted where multiple rather than single orders had been raised, (which may result in delegation limits being avoided and increases the risk of duplicate orders being raised.)</li> </ul>

- It was confirmed that the Council, in line with the Local Government Transparency Code, regularly publishes its expenditure over £500; however, it was not clear whether this included procurement card spend. The last procurement card expenditure published on the Council's website at the time of our internal audit related to 2017/18 (this included 194 transactions exceeding £500).
- Examination of the documentation retained for a sample of 17 transactions identified that for four of these the order narration was not as detailed as it should have been.
- Examination of the documentation retained for a sample of 17 transactions identified that six of these were not paid within 30 days and none of the six were evidenced as disputed.

6.4

### **Financial Assessments – Charging Policy (Limited Assurance)**

#### **Priority 1 Issues**

- Five of the sample of ten financial assessments sampled had not been completed in a timely manner.
- Five of the sample of ten financial assessments sampled were only requested after care had commenced and three, although requested prior to care commencing, were only completed after the care had commenced.

#### **Priority 2 Issues**

- One of the two appeal reviews sampled was not completed within the 28 days specified in the 'Adult Social Care Policy - Charging for Adult Social Care'.
- Four of the sample of ten financial re-assessments sampled were not completed in a timely manner.
- Examination of the documentation held for a sample of ten re-assessments found that two clients had not been notified of the changes in charges.

6.5

### **Freedom of Information and Subject Access Requests (Limited Assurance)**

#### **Priority 1 Issue**

- FOI requests were not being responded to within the 20 working day statutory timeframe, with the percentage of FOI requests responded to within 20 days varying between 49% in November 2019 and 83% in December 2019.

#### **No Priority 2 Issues**

6.6

<b>Agency Staff – Tenure and Monitoring (Substantial Assurance)</b>
<b>No Priority 1 Issues</b>
<b>Priority 2 Issues</b> <ul style="list-style-type: none"><li>• While agency challenge sessions were held in November / December 2019, and further sessions were planned for March / April 2020 no ongoing sessions thereafter were yet agreed.</li></ul>

6.7

<b>Staff Expenses - Compliance Checks (No Assurance)</b>
<b>Priority 1 Issues</b> <ul style="list-style-type: none"><li>• Compulsory Car User Forms were not located for 11 of the sample of 15 staff on the car allowance scheme tested.</li><li>• Testing of a sample of 30 approved expense claims found that nine of these should not have been approved (seven where appropriate supporting documentation was not provided, one for a parking fine and one for membership) and that nine of these had been incorrectly categorised.</li><li>• Analysis of a report of expenses claimed identified 12 instances where overpayment had occurred as a result of duplicate expense claims.</li><li>• Analysis of a report of expenses claimed identified that 240 expense items were authorised outside of the 90 days eligibility timeframe as defined by Expenses Management Policy. Furthermore, the required director written approval was not available for 14 out the sample of 15 (out of a total of 105) expense items submitted more than 60 days (and less than 90 days) after the expense being incurred.</li></ul>
<b>Priority 2 Issue</b> <ul style="list-style-type: none"><li>• Analysis of a report of expenses claimed identified that 32 of these were approved more than 30 days after having being submitted.</li></ul>

6.8

<b>Payments to Schools (Limited Assurance)</b>
<b>Priority 1 Issue</b> <ul style="list-style-type: none"><li>• Although statutory guidance issued by the Secretary of State requires that School deficits are cleared in 3 years and do not continue indefinitely, four (out of six) of the licensed deficits in 2020/21 were agreed for schools which did not plan for their deficits to be eliminated within 3 years as required.</li></ul>
<b>Priority 2 Issue</b> <ul style="list-style-type: none"><li>• The MyResources control reports for a sample of 6 payment file interfaces, (i.e. both the 'School &amp; VAT' and 'PVI' reports for November and December 2020 and January 2021) found failures each month in the 'School &amp; VAT' reports.</li></ul>

6.9

<b>Overtime Payments (Limited Assurance)</b>
<b>No Priority 1 Issues</b>
<b>Priority 2 Issues</b> <ul style="list-style-type: none"><li>• Although the Staff Handbook detailed the rules and guidance on overtime (or additional hours), this was incomplete and not all in one location.</li><li>• Testing of a sample of 20 overtime claim forms identified a staff member on flexible retirement being paid overtime which is specifically forbidden in the Staff Handbook.</li><li>• Payroll staff were not able to confirm whether staff working on average more than 48 hours a week had formally agreed to work beyond the 48 hours week and were not able to provide a record of the hours worked for each employee for each reference period in line with the requirements of the Working Time Directive 1998.</li><li>• Where overtime claim forms were submitted without a cost centre, the cost code of the unit that the staff were employed against would be charged instead of the forms being sent back to be properly completed.</li><li>• Sample testing identified some instances where overtime claims, which had not been appropriately approved, had been processed.</li></ul>

6.10

<b>Clinical Governance (Limited Assurance)</b>
<b>Priority 1 Issues</b> <ul style="list-style-type: none"><li>• There was no evidence of an overall clinical governance policy being in place for the Council and consequently the clinical governance framework and systems in place were unclear.</li><li>• Examination of the contracts for a sample of three contractors providing clinical services (from the list provided of 15 outsourced clinical services) confirmed that reference to clinical governance arrangements and monitoring was to varying degrees. In addition, all three of the contracts had expired.</li></ul>
<b>Priority 2 Issues</b> <ul style="list-style-type: none"><li>• The last S75 Partnership Board meeting to discuss performance, quality, clinical audit and clinical governance issues was held on 3 September 2020. Furthermore, neither of the S75 Partnership Board meetings examined for 25 June and 3 September 2020 included an agenda item for clinical governance.</li><li>• A local clinical governance risk register was not in place, although the Council did have access to the Croydon Health Integrated Safeguarding Team (CHSIT) risk register and was provided with monthly updates.</li><li>• Although copies of the 'CCG Serious Incident Management Guide' and the CCG 'Serious Incident Management - Policy and Procedure' were provided, no such documents for the Council were made available.</li><li>• There was no evidence of any clinical governance reports to the Health and</li></ul>



Wellbeing Board in the last 12 months. Health and wellbeing boards (HWBs) are statutory bodies created under the Health and Care Act 2012.

6.11

### **Public Health Contracts Management – Sexual Health (Limited Assurance)**

#### **No Priority 1 Issues**

- Whilst Sexual Health services are being delivered in the borough, a signed electronic copy of the Section 75 Agreement with CHS to provide an integrated sexual health service was not held, although an electronic unsigned copy of the contract was provided. The contract also expired on 31 March 2021, following completion of the two year extension term and no evidence of a subsequent contract being in place was provided.
- The Lead Commissioner – Public Health & Prevention confirmed that signed electronic copies of contracts with the 45 GP surgeries and pharmacies to provide support within the community were not held, although electronic copies of the templates for a chlamydia screening contract and a LARC contract and an enhanced sexual health contract were provided.
- Evidence of monitoring against the performance indicators in integrated sexual health service was limited to minutes of S75 Partnership Board meetings held in June and September 2020 and an e-mail dated September 2020 titled 'S75 & KPI reporting' which only provided monthly 'kit' requests and did not fully reflect the key service outcomes within the contract. No evidence of monitoring of the chlamydia screening, LARC or enhanced sexual health contracts was provided.
- Management confirmed that there was monitoring of the budget and service usage, but while we were provided with details of summary sexual health charges for both Croydon and 'Out of Area' providers for 2020/21, this did not include any budget details. A Sexual Health tracker is also maintained, to help monitor services (i.e. LARC, ESH and Chlamydia services) provided by and payments made to the GP surgeries and pharmacies.

#### **Priority 2 Issues**

- Examination of the Sexual Health Transformation Plan developed in 2019/20 identified that key milestones were outstanding and evidence of recent review of the plan was not evident.
- Evidence provided confirmed that user feedback was obtained in October 2019 via google reviews, which led to a business case to implement a phone querying system. However, no evidence of more recent user feedback being obtained was provided.
- A copy of the 'Funding Arrangements between Croydon Council & Croydon NHS 2020/2021' being agreed by the Council's (then) Director of Finance Investment and Risk (Section 151 Officer) was obtained, but this was dated 11 December 2020, eight months after the 31 March (each year) deadline specified in the Section 75 agreement. A similar notification for 2021/22 was not provided (at the time of audit in April 2021) and therefore assurance of the 2021/22 deadline being met cannot be provided.

6.12

<b>Temporary Accommodation: Standards in Private Sector (Limited Assurance)</b>
<p><b>Priority 1 Issue</b></p> <ul style="list-style-type: none"><li>• Electrical, gas and energy certificates were not located for some of the sample of Croybond properties and most of the sample of Croylease properties checked.</li><li>• Decent Homes Inspection' reports were not available for eight of the sample of 15 property records checked.</li></ul>
<p><b>Priority 2 Issues</b></p> <ul style="list-style-type: none"><li>• Formal work related training was generally not provided (and there was no systematic record of formal staff training), and there was a lack of clear documented guidance / procedure notes.</li><li>• Examination of the records held for a sample of five GRS, five Croybond Scheme and five PSL properties identified that copies (or evidence of checks) of building insurance (covering boilers) was not retained for any of the properties.</li><li>• Whilst the Housing Initiatives Officers confirmed that they would check a landlord had a private rented property licence, either by asking for a copy of the license or by checking against the Council's internal records, no record of these checks has been made in the case files for any of the properties examined in testing.</li><li>• Discussion with the Housing Initiatives Officer and the Head of Temporary Accommodation established that the Council does not have any direct controls against taking on landlords with past criminal convictions and landlord checks with other local authorities for out of borough properties were not conducted.</li></ul>

6.13

<b>Overtime Payments – Parking Services (Limited Assurance)</b>
<p><b>Priority 1 Issues</b></p> <ul style="list-style-type: none"><li>• Parking Services staff eligibility for overtime was being determined based on the number of penalty charges notices (PCNs) issued, in breach of statutory guidance.</li><li>• The Enforcement Manager had authorised 101 hours of overtime for his brother in March 2020.</li><li>• Analysis of the overtime paid forms between 1 January and 31 August 2020 identified 10 Parking Services staff who had on average worked more than 48 hours a week for the period. This is not in line with the Staff Handbook, which requires that staff only work more than 48 hours a week for a limited period of time and on an exceptional basis.</li></ul>
<p><b>Priority 2 Issues</b></p> <ul style="list-style-type: none"><li>• It is held that the shifts / normal working hours are not optimally arranged to</li></ul>

minimise the need for overtime.

- Required director approval was not available for overtime claimed by the Enforcement Manager, (a grade 15 employee) in March 2020.
- Although staff working more than 48 hours a week had formally opted out of the 48-hour restriction, this record was locally retained and had not been shared centrally.

6.14

### **SEN Transport- Safeguarding (Limited Assurance)**

#### **Priority 1 Issues**

- The 'Application Form: Home to School Travel Assistance (for ages 5-16)' although obtaining consent to process the personal data of the parent/carer and child did not also obtain consent for the processing of the personal data of the emergency contact.
- Examination of a sample of ten contracts found that seven had not been evidenced as signed or dated, two contracts were signed but had not been dated and one contract could not be located on SharePoint.

#### **Priority 2 Issues**

- Examination of a sample of 15 processed application forms found that in two instances acknowledgement and confirmation that the applicant had read the 'Home to School Travel Assistance Policy' was not evident.
- Examination of the staff records supplied by the passenger transport contractors for a sample of ten vehicles (being ten drivers and seven passenger assistants) found that three of the DBS checks were older than three years old contrary to Council policy.

6.15

### **Cyber Security (Limited Assurance)**

#### **Priority 1 Issue**

- The Council had not undertaken recent penetration testing across the network and infrastructures. Such testing is commonly undertaken by the Council's peers at least annually and more frequently if significant changes are proposed to the IT environment.

#### **Priority 2 Issues**

- Compared with local government peers, the Council has insufficient resources dedicated to the execution of cyber/information security responsibilities. Currently the Council has one dedicated member of staff compared with many other organisations having at least three or four team members.
- Cyber/Information Security awareness reminders and notifications are issued via Council newsletters and emails but these tend to be unstructured and not necessarily formally scheduled on a regular basis. This is exacerbated by the lack of a Cyber Security awareness training programme although the Digital Security Officer was in the process of developing a programme during our

audit.

- Many organisations including those in local government have or plan to undertake regular 'phishing' exercises, however, the Council has not undertaken or have plans to do the same.
- The Council is reliant on Capita as an IT service provider and thus is also reliant on this service provider for the effective management of related cyber security risks. However, the Council was unable to obtain evidence of some of the controls that Capita have implemented to manage such risks.
- Privileged/administrator-based accounts across infrastructures have been reviewed in the past including most recently Active Directory Domain Admin reviews in March 2020 and Azure and Office365 admin reviews in August 2020. However, these are neither formally scheduled to occur at pre-determined frequencies nor undertaken regularly enough.
- There is no timeframe defined in any policy/documentation which triggers firewall rules which are no longer needed to be disabled or removed.

6.16

### **Corporate Estate – Building Compliance (Substantial Assurance)**

#### **No Priority 1 Issues**

#### **Priority 2 Issues**

- The Technical and Statutory Compliance Manual was still in draft and the Fire Safety Policy, due for an update on 8 January 2021, had not yet been updated at the time of internal audit in March 2021.
- Comparison of the number of sites included on the fixed assets register to the 'PPM Master Planner' found a difference of 57 sites between the documents. The fixed assets register also did not take into consideration depreciation or asset life and did not separately specify items such as carbon monoxide alarms, instead including these as part of fire alarms.
- Examination of the records for a sample of 10 sites found that the fire risk assessments for five of the sites were dated 2016 or earlier. Although discussion established that these were annually reviewed, these reviews were not evidenced.
- It was explained that the Technical Compliance Team conduct a 10% audit of health and safety inspections conducted by internally and/or by contractors, however no records or log of these audit inspections was retained.
- Examination of the records on TF Cloud and SharePoint for a sample of 10 remedial works found that in five instances records, although held on SharePoint, were not stored on TF Cloud.

6.17

### **Thomas More Catholic School (Limited Assurance)**

#### **Priority 1 Issue**

- The School did not have a plan to eliminate its deficit within three years as required by the Croydon Scheme for Financing Schools.

**Priority 2 Issues**

- The School's 2019/20 completed SFVS self-assessment was not formally agreed by the full Governing Body as required prior to being submitted to the Council. It was also submitted after the Council's set deadline.
- The School's 2020/21 budget plan was not formally agreed by the full Governing Body as required prior to being submitted to the Council. It was also submitted after the Council's set deadline.
- Inspection of the School's Single Central Record found that for 18 individuals the Disclosure Barring Service checks (DBS's) had not been renewed for over three years.
- The Headteacher's appraisal did not take place prior to 31 December 2020 as required, having taken place 23 February 2021.
- Sample testing of 15 payments from the last 6 months found that a Purchase Order was not evidenced for four of the purchases.
- Confirmation from the bank of the School's authorised signatories was not available at the time of audit, although the School has subsequently obtained confirmation of these from the bank.
- A document retention policy, required for compliance with the General Data Protection Regulations, was not held by the School.
- Although a copy of the Schools private fund financial statements for the year ended 31 March 2020 were provided at the time of Internal Audit, there was no evidence of these being independently audited or presented to the full Governing Body.

6.18

**Selsdon Primary School (Substantial Assurance)****No Priority 1 Issues****Priority 2 Issues**

- A checklist of the various responsibilities and duties under current health and safety legislation (as these relate to the maintenance, statutory compliance and repair upkeep of school buildings) was reviewed as part of the audit. Whilst it was evidenced through completion of the checklist by the School that a good overall level of compliance was reported, some gaps were noted.

6.19

**Purley Oaks Primary School (Substantial Assurance)****No Priority 1 Issues**

- Examination of the School's Single Central Record found that for two individuals the Disclosure Barring Service checks (DBS's) were dated over three years ago contrary to Council policy.
- Examination of the personnel files for a sample of three recent starters found that for one of these only one reference had been obtained.

- Examination of the 'designated safeguarding lead' training certificates for the designated safeguarding lead and deputies identified that the certificates for two of the deputies were dated over two years ago.
- A checklist of the various responsibilities and duties under current health and safety legislation (as these relate to the maintenance, statutory compliance and repair upkeep of school buildings) was reviewed as part of the audit. Review of the completion of the checklist noted some gaps in compliance were reported.

6.20

<b>Smitham Primary School (Substantial Assurance)</b>
<b>No Priority 1 Issues</b>
<p><b>Priority 2 Issues</b></p> <ul style="list-style-type: none"> <li>• Examination of a sample of 15 purchase orders found three of these were dated after the corresponding invoices.</li> <li>• Examination of the documentation held for a sample of 15 transactions found that for seven of these a goods or services received check was not evidenced.</li> <li>• A checklist of the various responsibilities and duties under current health and safety legislation (as these relate to the maintenance, statutory compliance and repair upkeep of school buildings) was reviewed as part of the audit. Whilst it was evidenced through completion of the checklist by the School that a good overall level of compliance was reported, some gaps were noted.</li> </ul>

6.21

<b>St Giles School (Substantial Assurance)</b>
<b>No Priority 1 Issues</b>
<p><b>Priority 2 Issues</b></p> <ul style="list-style-type: none"> <li>• Sample testing of 15 transactions identified four instances where expense claims where 'relevant budget holder' authorisation was either not evidenced or was also the requesting employee.</li> </ul>

6.22

<b>St Nicholas Primary School (Substantial Assurance)</b>
<b>No Priority 1 Issues</b>
<p><b>Priority 2 Issues</b></p> <ul style="list-style-type: none"> <li>• Monthly budget monitoring was not being conducted</li> <li>• Sample testing of 15 transactions from the last 12 months found that four of the invoices were dated in advance of the corresponding purchase orders.</li> <li>• Testing of a sample of 15 transactions identified one transaction where payment was being made to an individual for services. Although an HMRC</li> </ul>

IR35 form had been completed for this, the School had incorrectly filled it out.

6.5

<b>Red Gates School (Substantial Assurance)</b>
<b>Priority 1 Issue</b> <ul style="list-style-type: none"><li>• Sample testing of 15 transactions found that eight of the invoices were not evidenced as authorised.</li></ul>
<b>Priority 2 Issues</b> <ul style="list-style-type: none"><li>• The School's Finance Policy, which includes the scheme of financial delegation, had not been reviewed in the last 12 months by the Full Governing Body, as required by School Governance (Roles, Procedures and Allowances) (England) Regulations 2013.</li></ul>

## **7. CONSULTATION**

7.1 The outcome of all audit work is discussed and agreed with the lead service managers. The final reports and audit recommendations are sent for consideration by Departmental Leadership Teams (DLT). Details are circulated and discussed with Directors on a regular basis.

## **8. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

8.1 The fixed price for the Internal Audit Contract is £372k for 2021/22 and there is adequate provision within the budget. The Finance team will need to ensure recommendations flagged by the internal audit are implemented to build a robust and efficient finance function.

8.2 Internal Audit's planning methodology is based on risk assessments that include using the Council risk registers processes.

(Approved by: Nish Papat, Interim Head of Corporate Finance)

## **9. LEGAL CONSIDERATIONS**

9.1 The Head of Litigation and Corporate Law comments on behalf of the interim Director of Law and Governance that information provided in this report is necessary to demonstrate the Council's compliance with requirements imposed by Regulation 5 of the Local Government Accounts and Audit (England) Regulations 2015. The Council is required 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.

(Approved by: Sandra Herbert, Head of Litigation and Corporate Law for and on behalf of the

interim Director of Law and Governance and Deputy Monitoring Officer)

## **10. HUMAN RESOURCES IMPACT**

- 10.1 There are no immediate human resources issues arising from this report for LBC employees or staff. Where issues impact on employee terms and conditions of employment, these will be considered through the Council's relevant policies and procedures and in consultation with the trade unions.

(Approved by: Gillian Bevan, Head of HR, Resources)

## **11. EQUALITIES, ENVIRONMENTAL AND CRIME AND DISORDER REDUCTION IMPACTS**

- 11.1 When Internal Audit is developing the Annual Audit Plan or individual audit programmes the impacts of the issues above are considered depending on the nature of the area of service being reviewed. Issues relating to these impacts would be reflected in the audit reports and recommendations.

## **12. DATA PROTECTION IMPLICATIONS**

- 12.1. **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

No.

- 12.2. There are no immediate data protection issues arising from this report.

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**CONTACT OFFICER:** Dave Phillips, Interim Head of Internal Audit

**BACKGROUND DOCUMENTS:** Internal Audit report for the period to 31 July 2021  
(appendix 1)



# London Borough of Croydon

## Internal Audit Report

### 1<sup>st</sup> April 2021 to 31<sup>st</sup> July 2021

#### Confidentiality and Disclosure Clause

This report ("Report") was prepared by Mazars LLP at the request of London Borough of Croydon 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 London Borough of Croydon 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 6 of this report for further information about responsibilities, limitations and confidentiality.**

## 1. Internal Audit Performance

- 1.1 As previously reported to General Purposes and Audit Committee, there has been significant disruption to the delivery of internal audit services as a result of the Covid-19 pandemic and government restrictions. These delays in completing the 2019/20 internal audit plan and commencing the 2020/21 internal audit plan both impacted on the delivery of the 2021/22 internal audit plan, with work in completing the 2020/21 audit plan still ongoing. Despite the pause in conducting internal audits, follow up work continued with good performance in this area.
- 1.2 The 2021/22 internal audit plan was approved by the General Purposes and Audit Committee on 4 March 2021. In addition to the ongoing work to complete the 2020/21 audit plan, work has also commenced on the 2021/22 internal audit plan, with the first draft audit reports being issued.
- 1.3 Due to changes in government requirements, including the School's Financial Value Standard (SFVS), the standard audit test programme used for school audits was revised for 2021/22, with the revised programme being presented to the School's Forum in July 2021. This has delayed the commencement of school audits, which will commence from September 2021.
- 1.4 The table below details the performance for both the 2020/21 and 2021/22 internal audit plans against the Council's targets. Please note that all 2020/21 audits are in progress, with most now nearing completion or under management review.

Performance Objective	Annual Target	Year to Date Target	Year to Date Actual	Performance
% of planned 2021/22 plan days delivered	100%	24%	16%	▼
Number of 2021/22 planned days delivered	999	240	156	▼
% of 2021/22 planned draft reports issued	100%	8%	4%	▼
Number of 2021/22 planned draft reports issued	71	6	3	▼
% of planned 2020/21 plan days delivered	100%	100%	86%	▼
Number of 2020/21 planned days delivered	880	880	758	▼
% of 2020/21 planned draft reports issued	100%	100%	59%	▼
Number of 2020/21 planned draft reports issued	65	65	38	▼
% of draft reports issued within 2 weeks of exit meeting	85%	85%	100%	▲
% of qualified staff engaged on audit	40%	40%	41%	▲

## 2. Audit Assurance

### 2.1 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.
<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.

### 2.2 The table below lists the internal audits for which final reports were issued from 1 April to 31 July 2021. Details of the key issues arising from these reports are shown in Appendix 1.

Internal Audit Title	Assurance Level	Planned Year	Previously Reported in Annual Report √ / X
<b>Non-School Internal Audits</b>			
Creditors (inc P2P)	Limited	2019/20	√
Financial Assessments – Charging Policy	Limited	2019/20	X
Freedom of Information and Subject Access Requests	Limited	2019/20	X
Agency Staff – Tenure and Monitoring	Substantial	2019/20	X
Staff Expenses – Compliance checks	No	2020/21	√
Payments to Schools	Limited	2020/21	√
Overtime Payments	Limited	2020/21	√
Clinical Governance	Limited	2020/21	√
Public Health: Contracts Management (Sexual Health)	Limited	2020/21	√
Temporary Accommodation: Standards in Private Sector	Limited	2020/21	√
Overtime Payments – Parking Services	Limited	2020/21	√

Internal Audit Title	Assurance Level	Planned Year	Previously Reported in Annual Report √ / X
SEN Transport - Safeguarding	Limited	2020/21	√
Cyber Security	Limited	2020/21	√
Corporate Estate: Building Compliance	Substantial	2020/21	√
Council Tax	Full	2020/21	√
<b>School Internal Audits</b>			
Thomas More Catholic School	Limited	2020/21	√
Selsdon Primary School	Substantial	2019/20	√
Purley Oaks Primary School	Substantial	2020/21	√
Smitham Primary School	Substantial	2020/21	√
St Giles	Substantial	2020/21	√
St Nicholas	Substantial	2020/21	√
Red Gates	Substantial	2020/21	√

### 3. Continuous Auditing

3.1 In order to help maximise internal audit coverage and focus on key controls, the 2020/21 and 2021/22 Internal Audit Plans replaced a number of key financial audits with a single 'continuous audit'. This being a quarterly audit of key controls across those key financial audit areas being replaced, which is reported in a dashboard format. The outcome from the 2020/21 continuous audit showed an improvement as the year progressed, with less issues being identified in later quarters. Notwithstanding, some issues were consistently identified across all 4 quarters, as follows:

- Housing occupancy checks were not being consistently conducted within 3 weeks of the rent start dates as required.
- Reconciliations of the Housing Repairs system to MyResources were not always conducted monthly and were not evidenced as checked.
- The monthly reconciliations of the Payroll system to MyResources were not being checked in a timely manner, with those for April to September 2020 being checked in January 2021 and those for October 2020 to March 2021 being checked in April 2021.

The other significant issues identified in quarter 4 related to:

- Reconciliations of parking income to MyResources for January to March 2021 had not been conducted.

- Evidence of the investments and withdrawals made from January to March 2021, although requested, were not provided and therefore Internal Audit was unable to verify that investments had been made with an approved counterparty, were within the credit limits and were supported by CHAPS proformas and trade tickets or that withdrawals were appropriately authorised and made for valid reasons.

#### 4. Follow-up audits – effective resolution of recommendations/issues

- 4.1 During 2021/22 in response to the Council's follow-up requirements, Internal Audit has continued following-up the status of the implementation of agreed actions for audits carried out during 2017/18, 2018/19, 2019/20 and 2020/21.
- 4.2 Follow-up audits are undertaken to ensure that all the recommendations/issues raised have been successfully resolved according to the action plans agreed with the service managers. The Council's target for internal audit recommendations/issues to be resolved at the time of the follow-up audit is 80% for all priority 2 & 3 recommendations/issues and 90% for priority 1 recommendations/issues.

Performance Objective	Target	Performance (to date)			
		2017/18	2018/19	2019/20	2020/21
Percentage of priority one actions implemented at the time of the follow up audit	90%	100%	96%	87%	55%
Percentage of all actions implemented at the time of the follow up audit	80%	94%	92%	90%	72%

- 4.3 The results of those for 2017/18, 2018/19, 2019/20 and 2020/21 audits that have been followed up are included in Appendixes 2, 3, 4 and 5 respectively.
- 4.4 Appendix 2 shows the incomplete 2017/18 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 94% of the total recommendations/issues were found to have been implemented and 100% of the priority 1 recommendations/issues which have been followed up have been implemented.
- 4.6 Appendix 3 shows the incomplete 2018/19 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 92% of the total recommendations/issues were found to have been implemented and 96% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendations/issues are detailed below:

Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
Air Quality Strategy, Implementation and Review	Limited	<p>A priority 1 issue was identified as there was a lack of evidence that the Air Quality Action Plan actions were being regularly monitored.</p> <p><b>Response April 2021:</b></p> <p>Prior to COVID-19 we had quarterly steering group meetings and the action plan table was distributed prior to the meeting for quarterly updates. Due to lack of staff</p>

Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
		we were unable to continue with the meetings and also had to prioritise other work. The meetings have now been set up for 2021. One meeting has already been held and a pollution support officer is now attending to take minutes. The Director will also be sending out the action plan table to ensure other teams make their responses within a certain timescales. We will be investigating using MS Teams to make comments on the action plan table without having to go through the plan for comments
Asbestos Management	Limited	<p>A priority 1 issue was identified as there were some 7,762 housing assets, assets for which there was no identifier of whether asbestos was either identified, strongly presumed, presumed or was not found. Discussion established that this number included assets such as roads; however, examination of the listing noted that there were also general rent dwellings, service tenancies and garages included</p> <p><b>Update June 2021:</b></p> <p>There has been a delay with the contract award.</p> <p>This is now subject to a New Procurement Strategy which was agreed at CCB on 20/5/21.</p>

4.7 Appendix 4 shows the 2019/20 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 90% of the total recommendations/issues were found to have been implemented and 87% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendations/issues are detailed below:

Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
SEND	Limited	<p>A priority 1 issue was raised as 79 out of 302 (26%) EHC plans issued in 2019/20 were not completed and issued within the statutory 20 week period.</p> <p><b>Response provided August 2021:</b></p> <p>Reviewed through data monitoring. Staffing pressures continue within 0-11 and assistants teams – this has resulted in inconsistent improvement. Appointments underway to bring back to full staffing.</p>
Lettings Allocations and Assessments	Limited	<p>A priority 1 issue was raised as the application forms (on line and in hardcopy) in use were not compliant with the Data Protection Act 2018 or the General Data Protection Regulation.</p> <p><b>Response provided December: 2020:</b></p> <p>No handover or discussion. I will speak to digital and information services as well as interim operational manager to find out where we are with this and update with my findings and hopefully sign off.</p>
Occupational Therapy	Limited	<p>A priority 1 issue was raised as the apportionment of costs, including any over or underspends, for the Adult Community Occupational Therapy Service between the Croydon Clinical Commission Group and the Council was not formally agreed.</p> <p><b>Response provided February 2021:</b></p> <p>The local authority is reviewing and re-negotiating risk share for the period of notice. The Sprint sessions are now completed and the service specification is being worked on to be put into a section 75 agreement. Work in progress to be completed by end March.</p> <p>A priority 1 issue was raised as the 'Waiting List Report' as at 18 September 2019 detailed that there were 197 waiting clients, 180 of whom had been on the waiting list more than 3 months.</p> <p><b>Response provided February 2021:</b></p> <p>Waiting lists remain high due to increase in demand, Covid-19 and staff shortage, although interim arrangements have helped reduce waiting lists. We have gone to spend control panel for recruitment for OTs been agreed for permeant and for locums while permanent recruitment is completed. This will help with reduction on waiting lists.</p>

Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
Wheelchair Service – Community Equipment Service	Limited	<p>A priority 1 issue was raised as the follow up of the recommendations raised in the 2017 ad hoc report identified that the recommendation relating to the BACs files being open to amendment had still not been implemented, meaning that any of the BACs payments during the last 2 years may have been manipulated. As about £1m of payments is made per month, this is a significant issue.</p> <p><u>Updated response August 2021:</u></p> <p>No progress has been made. We have taken all the steps with the bank as described in the process above. Unfortunately the Head of Treasury has been unresponsive to our multiple attempt to get progress on this. I previously alerted the audit team that this risk will not be addressed until the Head of Treasury agrees to complete their part of the process. A meeting has now been set up with the Head of Treasury and inviting the interim S151 Officer and other senior managers to attend so that this can be progressed.</p>
Fairfield Hall Delivery (BXB Management)	No	<p>A priority 1 issue was raised as the licence for access to carry out works in respect of property at Fairfield, College Green issued to BXB did not include specific contract conditions relating to quality or deadline for delivery.</p>
Enforcement Agents - Procurement	No	<p>A priority 1 issue was raised as an individual scoresheet and the record of moderation are missing for the tender evaluation of January 2018.</p> <p>Contemporaneous records of the reasons and reasoning for the allocation of scores in moderation for both lots of the tender evaluations of August 2019 could not be provided. Attempts have also been made to recreate the reasons and reasoning at a later date</p> <p><u>Response May 2021:</u></p> <p>The live procurement trial was successfully completed, and now the implementation is being rolled out. The commissioning framework and procurement handbooks have not yet been reviewed. This is in our project pipeline for Q1/Q2 of 2021/22.</p> <p>Pending this, we are undertaking additional management action.</p> <p>A priority 1 issue was raised as a number of formal agreements extending the arrangements with the service providers could not be provided.</p> <p><u>Response May 2021:</u></p> <p>The commissioning framework and procurement handbooks have not yet been reviewed. This is in our project pipeline for Q1/Q2 of 2021/22.</p> <p>Pending this, we are undertaking additional management action.</p>

4.8 Appendix 5 shows the 2020/21 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 72% of the total recommendations/issues were found to have been implemented and 55% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendations/issues are detailed below:

Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
Staff Expenses – Compliance Checks	No	<p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> <li>Compulsory Car User Forms were not located for 11 of the sample of 15 staff on the car allowance scheme tested.</li> </ul> <p><u>Response August 2021:</u></p> <p>The audit has been delayed but is being planned to be complete by end March 2022.</p> <ul style="list-style-type: none"> <li>Testing of a sample of 30 approved expense claims found that nine of these should not have been approved (seven where appropriate supporting documentation was not provided, one for a parking fine and one for membership) and that nine of these had been incorrectly categorised.</li> </ul>

Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
		<p><u>Response August 2021:</u>                      Communications are in the process of being drafted in preparation for the proposed annual reminder of the expenses policy due in September 2021.</p> <ul style="list-style-type: none"> <li>• Analysis of a report of expenses claimed identified 12 instances where overpayment had occurred as a result of duplicate expense claims.</li> </ul> <p><u>Response August 2021:</u>                      Communications are in the process of being drafted in preparation for the proposed annual reminder of the expenses policy due in September 2021.</p> <ul style="list-style-type: none"> <li>• Analysis of a report of expenses claimed identified that 240 expense items were authorised outside of the 90 days eligibility timeframe as defined by Expenses Management Policy. Furthermore, the required director written approval was not available for 14 out the sample of 15 (out of a total of 105) expense items submitted more than 60 days (and less than 90 days) after the expense being incurred.</li> </ul> <p><u>Response August 2021:</u>                      Communications are in the process of being drafted in preparation for the proposed annual reminder of the expenses policy due in September 2021.</p>
Clinical Governance	Limited	<p>A priority 1 issue was raised as there was no evidence of an overall clinical governance policy being in place for the Council and consequently the clinical governance framework and systems in place were unclear.</p> <p><u>Response august 2021:</u>                      Workshop being organised to coordinate pulling together all the relevant information to produce a clinical governance policy. Stakeholders include: Commissioners, Public Health, Designated Safeguarding leads, SWL CCG.</p>



## Appendix 1: Summary from finalised audits of Key (Priority 1) issues

Year	Internal Audit Title	Assurance Level & Number of Issues	Summary of Key Issues Raised
<b>Non-School Internal Audits</b>			
2019/20	Creditors	Limited (Four priority 1, seven priority 2 and one priority 3 issue)	Priority 1 issues were raised as: <ul style="list-style-type: none"> <li>Examination of the documentation retained for a sample of 17 transactions identified that for five of these the order was raised either after delivery or after the invoice date.</li> <li>Examination of the documentation retained for a sample of 17 transactions identified that for four of these the goods or services received check preceded actual delivery.</li> <li>Examination of the documentation retained for a sample of 17 transactions identified that five of the invoices included client names (including children in care) thus potentially breaching the Data Protection Act 2018.</li> <li>As at 28 September 2020 the Council had invoices totalling £25,757,492 on hold, of which £7,220,978 related to previous financial years (i.e. 2019/20 and prior) with oldest invoice on hold dating 8 May 2014.</li> </ul>
2019/20	Financial Assessments – Charging Policy	Limited (Two priority 1 and three priority 2 issues)	Priority 1 issues were raised as: <ul style="list-style-type: none"> <li>Five of the sample of ten financial assessments sampled had not been completed in a timely manner.</li> <li>Five of the sample of ten financial assessments sampled were only requested after care had commenced and three, although requested prior to care commencing, were only completed after the care had commenced.</li> </ul>
2019/20	Freedom of Information (FOI) and Subject Access Requests (SARs)	Limited (One priority 1 issue and 2 priority 3 issues)	A priority 1 issue was raised as FOI requests were not being responded to within the 20 working day statutory timeframe, with the percentage of FOI requests responded to with 20 days varying between 49% in November 2019 and 83% in December 2019.
2020/21	Staff Expenses – Compliance checks	No (Four priority 1 and one priority 2 issue)	Priority 1 issues were raised as: <ul style="list-style-type: none"> <li>Compulsory Car User Forms were not located for 11 of the sample of 15 staff on the car allowance scheme tested.</li> <li>Testing of a sample of 30 approved expense claims found that nine of these should not have been approved (seven where appropriate supporting documentation was not provided, one for a parking fine and one for membership) and that nine of these had been incorrectly categorised.</li> <li>Analysis of a report of expenses claimed identified 12 instances where overpayment had occurred as a result of duplicate expense claims.</li> <li>Analysis of a report of expenses claimed identified that 240 expense items were authorised outside of the 90 days eligibility timeframe as defined by Expenses Management Policy. Furthermore, the required director written approval was not available for 14 out the sample of 15 (out of a total of 105) expense items submitted more than 60 days (and less than 90 days) after the expense being incurred.</li> </ul>
2020/21	Payments to Schools	Limited (one priority 1, one priority 2 and three priority 3 issues)	A priority 1 issue was raised as, although statutory guidance issued by the Secretary of State requires that School deficits are cleared in 3 years and do not continue indefinitely, four (out of six) of the licensed deficits in 2020/21 were agreed for schools which did not plan for their deficits to be eliminated within 3 years as required.
2020/21	Overtime Payments	Limited	Limited Assurance with no priority 1 issues.

Year	Internal Audit Title	Assurance Level & Number of Issues	Summary of Key Issues Raised
2020/21	Clinical Governance	Limited (Two priority 1 and four priority 2 issues)	Priority 1 issues were raised as: <ul style="list-style-type: none"> <li>There was no evidence of an overall clinical governance policy being in place for the Council and consequently the clinical governance framework and systems in place were unclear.</li> <li>Examination of the contracts for a sample of three contractors providing clinical services (from the list provided of 15 outsourced clinical services) confirmed that reference to clinical governance arrangements and monitoring was to varying degrees. In addition, all three of the contracts had expired.</li> </ul>
2020/21	Public Health: Contracts Management (Sexual Health)	Limited Four priority 1 and two priority 2 issues)	Priority 1 issues were raised as: <ul style="list-style-type: none"> <li>Whilst Sexual Health services are being delivered in the borough, a signed electronic copy of the Section 75 Agreement with Croydon Health Services (CHS) to provide an integrated sexual health service was not held, although an electronic unsigned copy of the contract was provided. The contract also expired on 31 March 2021, following completion of the two year extension term and no evidence of a subsequent contract being in place was provided.</li> <li>The Lead Commissioner – Public Health &amp; Prevention confirmed that signed electronic copies of contracts with the 45 GP surgeries and pharmacies to provide support within the community were not held, although electronic copies of the templates for a chlamydia screening contract and a long-acting reversible contraception (LARC) contract and an enhanced sexual health (ESH) contract were provided.</li> <li>Evidence of monitoring against the performance indicators in integrated sexual health service was limited to minutes of S75 Partnership Board meetings held in June and September 2020 and an e-mail dated September 2020 titled 'S75 &amp; KPI reporting' which only provided monthly 'kit' requests and did not fully reflect the key service outcomes within the contract. No evidence of monitoring of the chlamydia screening, LARC or ESH contracts was provided.</li> <li>Management confirmed that there was monitoring of the budget and service usage, but while we were provided with details of summary sexual health charges for both Croydon and 'Out of Area' providers for 2020/21, this did not include any budget details. A Sexual Health tracker is also maintained, to help monitor services (i.e. LARC, ESH and Chlamydia services) provided by and payments made to the GP surgeries and pharmacies.</li> </ul>
2020/21	Temporary Accommodation: Standards in Private Sector	Limited Two priority 1 and four priority 2 issues)	Priority 1 issues were raised as: <ul style="list-style-type: none"> <li>Electrical, gas and energy certificates were not located for some of the sample of Croybond properties and most of the sample of Croylease properties checked.</li> <li>Decent Homes Inspection' reports were not available for eight of the sample of 15 property records checked.</li> </ul>
2020/21	Overtime Payments – Parking Services	Limited (Three priority 1 and three priority 2 issues)	Priority 1 issues were raised as: <ul style="list-style-type: none"> <li>Parking Services staff eligibility for overtime was being determined based on the number of penalty charges notices (PCNs) issued, in breach of statutory guidance.</li> <li>The Enforcement Manager had authorised 101 hours of overtime for his brother in March 2020.</li> <li>Analysis of the overtime paid forms between 1 January and 31 August 2020 identified 10 Parking Services staff who had on average worked more than 48 hours a week</li> </ul>

Year	Internal Audit Title	Assurance Level & Number of Issues	Summary of Key Issues Raised
			for the period. This is not in line with the Staff Handbook, which requires that staff only work more than 48 hours a week for a limited period of time and on an exceptional basis.
2020/21	SEN Transport - Safeguarding	Limited Two priority 1 and two priority 2 issues)	Priority 1 issues were raised as: <ul style="list-style-type: none"> <li>The 'Application Form: Home to School Travel Assistance (for ages 5-16)' although obtaining consent to process the personal data of the parent/carer and child did not also obtain consent for the processing of the personal data of the emergency contact</li> <li>Examination of a sample of ten contracts found that seven had not been evidenced as signed or dated, two contracts were signed but had not been dated and one contract could not be located on SharePoint.</li> </ul>
2020/21	Cyber Security	Limited (One priority 1, six priority 2 and two priority 3 issues)	A priority 1 issue was raised as the Council has not undertaken recent penetration testing across the network and infrastructures. Such testing is commonly undertaken by the Council's peers at least annually and more frequently if significant changes are proposed to the IT environment.
<b>School Audits</b>			
2020/21	Thomas More Catholic School	Limited (One priority 1, eight priority 2 and five priority 3 recommendations)	A priority 1 recommendation was raised as the School did not have a plan to eliminate its deficit within three years as required by the Croydon Scheme for Financing Schools.

## Appendix 2 - Follow-up of 2017-18 audits (incomplete follow up only)

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
<b>Non School Internal Audits</b>						
2017/18	Admitted Bodies	Resources	Substantial (4 <sup>th</sup> follow up in progress)	4	3	75%
<b>Recommendations and implementation from internal audits that have had responses</b>				421	396	94%
<b>Priority 1 Recommendations from internal audits that have had responses</b>				47	47	100%

## Appendix 3 - Follow-up of 2018/19 audits (Incomplete only)

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2018/19	Energy Recharges	Resources	No (1 <sup>st</sup> follow up in progress)	7	-	-
2018/19	Air Quality Strategy, Implementation and Review	Place	Limited (3 <sup>rd</sup> follow up in progress)	8	4	50%
					One priority 1 issue not yet resolved	
2018/19	Asbestos Management (Beyond the Corporate Campus)	Place	Limited (7 <sup>th</sup> follow up in progress)	12	9	75%
					One priority 1 issue not yet resolved	
2018/19	School Deficits and Surpluses (Conversion to Academy)	CFE	Substantial (3 <sup>rd</sup> follow up in progress)	4	3	75%
2018/19	Mortuary	Resources	Substantial (5 <sup>th</sup> follow up in progress)	4	3	75%
2018/19	New Legal Services Model	Resources	Substantial (3 <sup>rd</sup> follow up in progress)	7	5	71%
2018/19	Council Investment and Operational Properties – Income Maximisation	Resources	Substantial (4 <sup>th</sup> follow up in progress)	4	3	75%
<b>Recommendations and implementation from internal audits that have had responses</b>				<b>357</b>	<b>328</b>	<b>92%</b>
<b>Priority 1 Recommendations from internal audits that have had responses</b>				<b>49</b>	<b>47</b>	<b>96%</b>

## Appendix 4 - Follow-up of 2019/20 audits

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
<b>Non School Internal Audits</b>						
2019/20	Creditors – Procure to Pay	Resources (Finance)	Limited (1 <sup>st</sup> follow up in progress)	12	-	-
2019/20	Housing Rent (Reduced Scope)	HWA	Limited (No further follow up)	3	3	100%
2019/20	Staff Debt	Resources	Limited (1 <sup>st</sup> follow up in progress)	8	-	-
2019/20	Age Assessment Judicial Review	HWA	Limited (No further follow up in)	6	6	100%
2019/20	Alternative School provisioning	CFE	Limited (No further follow up)	6	6	100%
2019/20	Partnership Governance – Children and Families	CFE	Limited (1 <sup>st</sup> follow up in progress No priority 1 issues)	5	-	-
2019/20	SEND Special Educational Needs and Disability	CFE	Limited (2 <sup>nd</sup> follow up in progress)	2	1	50%
				One priority 1 issue not yet resolved		
2019/20	Financial Assessments – Charging Policy	ASC&H	Limited (No further follow up)	5	5	100%
2019/20	Lettings Allocations and Assessments	HWA	Limited (3 <sup>rd</sup> follow up in progress)	3	1	33%
				One priority 1 issue not yet resolved		
2019/20	Placements in Private Housing Accommodation	HWA	Limited (2 <sup>nd</sup> follow up in progress)	4	2	50%
2019/20	Adult Social Care (ASC) Waiting Lists	HWA	Limited (No further follow up)	4	4	100%
2019/20	Care Market Failure	Resources / HWA	Limited (No further follow up)	10	10	100%
2019/20	Financial Planning and Forecasting Adult's Services	HWA	Limited (No further follow up)	5	4	80%

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Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2019/20	Occupational Therapy	HWA	Limited (3rd follow up in progress)	4	2	50%
				Two priority 1 issues not yet resolved		
2019/20	Bringing Services in-house – Parks Services	Place	Limited (No further follow up)	8	8	100%
2019/20	External Funding	Place	Limited (No further follow up)	3	3	100%
2019/20	Food Safety – Data Quality	Place	Limited (No further follow up)	5	4	80%
2019/20	Parks Health and Safety	Place	Limited (3rd follow up in progress)	8	8	100%
2019/20	Brick by Brick Governance	Resources Finance	Limited (No further follow up)	2	2	100%
2019/20	Wheelchair Service – Community Equipment Service	Resources	Limited (4th follow up in progress)	3	2	67%
				One priority 1 issue not yet resolved		
2019/20	Fairfield Hall Delivery (BxB Management)	Place	Limited (1st follow up in progress)	3	2	66%
			Not included – implemented at final report	One priority 1 issue not yet resolved		
2019/20	Freedom of Information and Subject Access Requests	Resources	Limited (1st follow up in progress)	3	-	-
2019/20	Enforcement Agents - Procurement	Resources	Limited (2nd follow up in progress)	6	3	50%
				Two priority 1 issues not yet resolved		
2019/20	Business Rates	Resources	Substantial (No further follow up)	1	1	100%
2019/20	Debtors	Resources (Finance)	Substantial (1st follow up in progress)	10	-	-
2019/20	Housing Benefit	Resources	Substantial	2	2	100%

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Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
			(No further follow up)			
2019/20	Pensions	Resources	Substantial (No further follow up)	2	2	100%
2019/20	Pay and Display Meter Maintenance	Place	Substantial (No further follow up)	4	4	100%
2019/20	Section 17 payments	HWA	Substantial (No further follow up)	5	5	100%
2019/20	Sheltered Accommodation (Extra Care Service)	HWA	Substantial (No further follow up)	3	3	100%
2019/20	Fire Safety (Housing Stock)	Place	Substantial (5 <sup>th</sup> follow up in progress)	1	0	0
2019/20	Growth Zone – Performance Manager	Place	Substantial (No further follow up)	4	4	100%
2019/20	Highways Contract Management	Place	Substantial (No further follow up)	4	4	100%
2019/20	Debt Recovery In-house	Resources	Substantial (No further follow up)	1	1	100%
2019/20	Enforcement Agents	Resources (Finance)	Substantial (2 <sup>nd</sup> follow up in progress)	3	1	33%
2019/20	Risk Management	Resources	Substantial (No further follow up)	4	4	100%
2019/20	Staff Code of Conduct	Resources	Substantial (2 <sup>nd</sup> follow up in progress)	5	3	60%
2019/20	IT Policies Review		Substantial (1 <sup>st</sup> follow up in progress)	5	-	-
2019/20	Uniform IT Application	Resources	Substantial (3 <sup>rd</sup> follow up in progress)	4	2	50%
2019/20	Northgate iWorld Application	Resources	Substantial (No further follow up)	1	1	100%



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Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2019/20	Microsoft Direct Access Operating System	Resources	Substantial (No further follow up)	4	4	100%
2019/20	Peoples ICT Application	Resources	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
<b>Non-School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses</b>				<b>138</b>	<b>117</b>	<b>84%</b>
<b>Non-School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses</b>				<b>32</b>	<b>24</b>	<b>75%</b>
<b>School Internal Audits</b>						
2019/20	Winterbourne Nursery and Infant School	CFE	No (No further follow up)	22	22	100%
2019/20	Beulah Junior School	CFE	Limited (No further follow up)	14	13	93%
2019/20	Kenley Primary School	CFE	Limited (No further follow up)	11	10	91%
2019/20	Margaret Roper Catholic Primary School	CFE	Limited (No further follow up)	11	10	91%
2019/20	Minster Infant School	CFE	Limited (No further follow up)	16	13	81%
2019/20	Norbury Manor Primary School	CFE	Limited (No further follow up)	13	13	100%
2019/20	St Joseph's Federation	CFE	Limited (No further follow up)	14	13	93%
2019/20	Virgo Fidelis Convent Senior School	CFE	Limited (No further follow up)	19	19	100%
2019/20	Crosfield Nursery and Selhurst Early Years	CFE	Substantial (No further follow up)	8	7	87%
2019/20	All Saints C of E Primary School	CFE	Substantial (No further follow up)	12	12	100%
2019/20	Elmwood Infant School	CFE	Substantial (No further follow up)	6	6	100%

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Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2019/20	Heavers Farm School	CFE	Substantial (No further follow up)	13	13	100%
2019/20	Selsdon Primary School	CFE	Substantial (1 <sup>st</sup> follow up in progress)	3	-	-
<b>School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses</b>				<b>159</b>	<b>151</b>	<b>95%</b>
<b>School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses</b>				<b>31</b>	<b>31</b>	<b>100%</b>
<b>Recommendations and implementation from internal audits that have had responses</b>				<b>297</b>	<b>268</b>	<b>90%</b>
<b>Priority 1 Recommendations from internal audits that have had responses</b>				<b>63</b>	<b>55</b>	<b>87%</b>

## Appendix 5 - Follow-up of 2020/21 audits

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
<b>Non School Internal Audits</b>						
2020/21	Payments to School	Resources Finance	Limited (1 <sup>st</sup> follow up in progress)	5	-	-
2020/21	Staff Expenses – Compliance Checks	Resources	N (2nd follow up in progress)	5	0	0%
				4 priority 1 issues not yet resolved		
2020/21	Clinical Governance	ASC&H	Limited (2nd follow up in progress)	6	1	17%
				1 priority 1 issue not yet resolved		
2020/21	Overtime Payments – Parking Services	Resources	Limited (No further follow up)	6	5	83%
2020/21	Cyber Security	Resources	Limited (1 <sup>st</sup> follow up in progress)	9	-	-
<b>Non-School Internal Audits Sub Total:</b>				<b>17</b>	<b>6</b>	<b>35%</b>
<b>Recommendations and implementation from internal audits that have had responses</b>						
<b>Non-School Internal Audits Sub Total:</b>				<b>9</b>	<b>4</b>	<b>44%</b>
<b>Priority 1 Recommendations from internal audits that have had responses</b>						
<b>School Internal Audits</b>						
Financial Year	Audit Followed up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2020/21	Tunstall Nursery School	CFL	Substantial (No further follow up)	3	3	100%
2020/21	Thornton Heath Nursery School	CFL	No (1 <sup>st</sup> follow up in progress)	14	-	-
2020/21	Forestdale Primary School	CFL	Substantial (No further follow up)	11	11	100%
2020/21	Greenvale Primary School	CFL	Substantial (No further follow up)	10	8	80%
2020/21	Purley Oaks Primary School	CFL	Substantial	9	7	78%

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Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
			(2 <sup>nd</sup> follow up in progress)			
2020/21	Smitham Primary School	CFL	Substantial	5	4	80%
2020/21	Winterbourne Nursery and Infants School	CFL	(No further follow up)	5	5	100%
2020/21	Archbishop Tenison's CofE High School	CFL	Limited (No further follow up)	11	10	91%
2020/21	Thomas More Catholic High School	CFL	Limited (1 <sup>st</sup> follow up in progress)	14	-	-
2020/21	St Giles	CFL	Substantial (No further follow up)	3	3	100%
2020/21	St Nicholas	CFL	Substantial (2 <sup>nd</sup> follow up in progress)	7	3	43%
2020/21	Red Gates	CFL	Substantial (2 <sup>nd</sup> follow up in progress)	5	2	40%
<b>School Internal Audits Sub Total:</b>						
<b>Recommendations and implementation from internal audits that have had responses</b>				<b>69</b>	<b>56</b>	<b>81%</b>
<b>School Internal Audits Sub Total:</b>						
<b>Priority 1 Recommendations from internal audits that have had responses</b>				<b>2</b>	<b>2</b>	<b>100%</b>
<b>Recommendations and implementation from internal audits that have had responses</b>				<b>86</b>	<b>62</b>	<b>72%</b>
<b>Priority 1 Recommendations from internal audits that have had responses</b>				<b>11</b>	<b>6</b>	<b>55%</b>

## Appendix 6 - Statement of Responsibility

We take responsibility to the London Borough of Croydon for this report which is prepared on the basis

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.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. 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 by any third party is entirely at their own risk.

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<b>REPORT TO:</b>	<b>GENERAL PURPOSES AND AUDIT COMMITTEE</b> 16 September 2021
<b>SUBJECT:</b>	Anti-Fraud Update Report 1 <sup>st</sup> April 2021 – 31 July 2021
<b>LEAD OFFICER:</b>	David Hogan, Head of Anti-Fraud
<b>CABINET MEMBER</b>	Councillor Callton Young Cabinet Member for Resources and Financial Governance
<b>WARDS:</b>	All
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b>	
<p>The work of the Anti-Fraud service helps the Council to improve its value for money by strengthening financial management and further embedding risk management. Improving value for money ensures that the Council delivers effective services contributing to the achievement of the Council’s vision and priorities. The detection of fraud and better anti-fraud awareness contribute to the perception of a law-abiding Borough.</p>	
<b>FINANCIAL SUMMARY:</b>	
<p>The budget provision for the Anti-Fraud service for 2020/21 was £328,107 and the service was delivered within budget.</p>	
<b>FORWARD PLAN KEY DECISION REFERENCE NO: N/A</b>	

For general release

<b>1.</b>	<b>RECOMMENDATIONS</b>
1.1	The Committee is asked to note the Anti-fraud activity of the Corporate Anti-Fraud Team for the period 1 April 2021 – 31 July 2021

## 2. EXECUTIVE SUMMARY

- 2.1 This report details the performance of the Council's Corporate Anti-Fraud Team (CAFT) and includes details of the team's performance together with an update on developments during the period 1 April 2021 – 31 July 2021.

## 3. DETAIL

### Performance 1 April 2021 to 31 July 2021

- 3.1 The CAFT comprises 9 staff (8.43 FTEs), including tenancy and corporate investigators, an Intelligence Officer, financial investigators and an Investigation Manager. The CAFT investigates allegations of fraud or corruption which affect the Council's business. In addition, the team generates an income by providing a service to the London Borough of Lambeth, as well as providing Financial Investigation services to LB Bexley and LB Wandsworth councils. Statistics related to the other councils that CAFT supports are not included in the figures below.
- 3.2 The team has begun to return to the full range of duties and many of the ways of working it deployed before last years lockdowns, including visiting residents and businesses and face to face interviewing within the civic centre. There is still a backlog of investigations casework and we do still experience delays in progressing cases through the courts, who are still experiencing their own delays. This continues to have an impact on the team's ability to conclude some investigations. Performance targets for the team have been reduced slightly from the previous year to reflect a reduced workforce and to ensure they remain SMART.
- 3.3 There are local performance indicators that relate to the Council's anti-fraud work. The two indicators shown in table 1 below reflect the focus of the team. Table 2 shows a breakdown of these figures.

Table 1 – Key performance indicators

	YEAR END 20/21	ANNUAL TARGET 21/22	21/22 YTD PERFORMANCE
Successful Outcomes	127	100	37
Identified Overpayments & Savings	£985,107	£850,000	£356,671



**Table 2 - Breakdown of Outcomes from 1 April 2020 – 31st July 2021 compared to the same period in 2019/20**

2020/21		2021/22	
Area	Value £	Area	Value £
<b>Housing - 5</b> 1 Recovered Properties 2 Removed from housing list 1 Nomination Rights 1 Legal notices issued*	£32,400  **£4,000  £32,400	<b>Housing - 24</b> 2 Recovered Properties 1 Removed from housing list 1 Right to Buy stopped 2 Nomination Rights  4 Legal notices issued*	£64,800 **£2,000  £112,300 £64,800
<b>Other – 26</b> 1 Audit Recommendation 3 Formal Cautions 2 Dismissal/Resignation & Other Disciplinary Action 2 Council Tax Discounts 4 Council Tax reduction removed 12 Blue Badge Abuse 2 Other	£25,210	<b>Other – 27</b> 3 Formal Cautions 7 Council Tax Discount 5 Council Tax Reduction Removed 2 Blue Badge abuse 1 NRPF 1 Renovation Grant stopped 6 Covid Business grants 2 Other	£112,771
<b>Total</b>	£94,010	<b>Total</b>	£356,671

\*Includes: Notice Seeking Possession and Notice to Quit

\*\* Non-cashable saving, as cost to the council only arises when someone moves from the list to a tenancy.

### **3.4 Case Study – Operation Alcade**

Operation Alcade is an investigation lead by the Dept. for Work and Pensions (DWP) Organised Fraud team into an organised crime group based in and around Croydon. DWP identified a trend for persons from abroad making claims for Universal Credit using similar and sometimes identical supporting documentation in making these claims. Further investigation confirmed the

same addresses and range of employers were documented in these claims. DWP Organised fraud team requested the assistance of the Metropolitan Police and the Financial Investigators from Croydon Council in joining them in arranging for the arrest of those thought to be responsible and to facilitate the search of associated property and vehicles. This happened in May 2021. Both the council's financial investigators hold additional accreditation that allows them to seize and deal with cash found that is suspected to be the proceeds of a crime. They played a key role on the day as £37,565 was found across two of the locations. The identified value of the fraud to date is £1.2m.

So what was in it for Croydon council? The opportunity for the team to be part of a multi-agency approach investigating crime within the borough and the messages that will follow that with the subsequent prosecutions. Cash seizure powers are based on CPD and for Croydon's Financial Investigator's they must demonstrate they use these powers on an annual basis to retain them. The timing of this Operation was helpful in that it happened during the period of lockdown when opportunities for this type of Operational activity were limited.

#### **4. FINANCIAL INVESTIGATIONS**

- 4.1 The Council employs two Financial Investigators to undertake work using the Proceeds of Crime Act 2002. This includes investigating and developing cases to obtain confiscation orders plus cash seizure and cash forfeiture cases.

Alongside their work for Croydon Council, Croydon's Financial Investigators undertake work for other councils, who do not have this capacity, on a fee basis. Currently they are undertaking work for LB Bexley and LB Wandsworth Councils. They are also undertaking work with the Dept. for Work and Pensions Organised fraud team on a large scale organised benefit fraud.

Their investigations relate to a broad section of service areas within the Councils including:

- Environmental enforcement
- Trading Standards - trademark and rogue trader cases
- Planning – enforcement case;
- Licensing
- Internal cases
- Safeguarding cases
- Business rates evasion by fraud

- 4.2 The Financial Investigators, as is the case with many other teams across the council, are experiencing significant delays in legal proceedings due to Covid. This has resulted in constant adjournments as the courts juggle with their own backlogs but has impacted on both case closure and case progression for the Financial Investigators.

## **5. LOCAL GOVERNMENT TRANSPARENCY CODE**

- 5.1 Members will be aware of the Local Government Transparency Code 2015 which requires Councils to publish data about various areas of their activities. Included in the 2020/21 code is detail on Counter Fraud work, most of this information has always been reported to committee; however below are some additional areas which we are required to make public. The figures detailed below for the period from 1 April to 31 March 2021:

Number of occasions the Council has used powers under the Prevention of Social Housing Fraud Act	2
Total number of employees undertaking investigations and prosecutions relating to fraud	9
Total number of full-time equivalent employees undertaking investigations and prosecutions of fraud	8.4
Total number of employees undertaking investigations and prosecutions of fraud who are professionally accredited counter fraud specialists	8
Total number of full-time equivalent employees undertaking investigations of and prosecutions who are professionally accredited counter fraud specialists	7.4
Total number of fraud cases investigated*	134

\*The number of investigations that have been closed during the period April 21 to 31 July 2021.

## **6. FINANCIAL AND RISK ASSESSMENTS**

- 6.1 The budget provision for the anti-fraud service for 2020/21 is £300,000 and the service is on target to be delivered within budget.
- 6.2 There are no further risk assessment issues than those already detailed within the report.

Approved by: Michael Jarrett, Interim Head of Finance, Resources & Place

## **7. COMMENTS OF THE SOLICITOR TO THE COUNCIL**

- 7.1 The Solicitor to the Council advises that there are no additional legal implications arising from this report

Approved by Sandra Herbert, Head of Litigation and Corporate law, for and on behalf of the Monitoring Officer

## **8. HUMAN RESOURCES IMPACT**

- 8.1 There are no immediate human resource considerations arising from this report for LBC staff or workers.

Approved by: Gillian Bevan, Acting Head of HR – Resources and CE Office

**9. CUSTOMER FOCUS, EQUALITIES, ENVIRONMENTAL, CRIME AND DISORDER REDUCTION & HUMAN RIGHTS IMPACTS**

9.1 There are no further considerations in these areas.

**10. EQUALITIES IMPACT ASSESSMENT**

10.1 An initial screening equalities impact assessment has been completed for the Anti-fraud and Corruption Policy. No further action was found to be necessary.

**11. DATA PROTECTION IMPLICATIONS**

**11.1. WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

No, this report is for information only.

**11.2. HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

NO

No DPIA has been completed as no personal data is used in the report. Any cases studies used do not include personal identifiers such as name and address

(Approved by: Richard Ennis, Interim Director of Finance, Investment and Risk S.151)

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**CONTACT OFFICER: David Hogan (Head of Anti-Fraud)**

<b>REPORT TO:</b>	<b>GENERAL PURPOSES AND AUDIT COMMITTEE</b> 16 September 2021
<b>SUBJECT:</b>	<b>WORK PROGRAMME 2021-22</b>
<b>LEAD OFFICER:</b>	<b>Stephen Rowan,</b> <b>Head of Democratic Services and Scrutiny</b>
<b>ORIGIN OF ITEM:</b>	The Work Programme is scheduled for consideration at every ordinary meeting of the General Purpose and Audit Committee.
<b>BRIEF FOR THE COMMITTEE:</b>	To consider any additions, amendments or changes to the agreed work programme for the Committee in 2021/22.

## 1. EXECUTIVE SUMMARY

- 1.1 This agenda item details the Committee's proposed work programme for the 2021/22 municipal year.
- 1.2 The Committee has the opportunity to discuss any amendments or additions that it wishes to make to the work programme.

## 2. WORK PROGRAMME

### 2.1 The work programme

The proposed work programme is attached at **Appendix 1**.

Members are asked to consider the work programme in the context of the Committee's terms of reference and whether the proposed items will support the Committee in meeting its delegated responsibilities.

### 2.2 Additional Items

Members of the Committee are invited to suggest any other items that they consider appropriate for the Work Programme. However, due to the limited time available at Committee meetings, Members are strongly encouraged to not propose meeting agendas that contain more than three hours of substantive business in order to allow full consideration of the items on any given agenda.

The Committee should also be mindful that the Council is operating under both very restricted resources and, while no longer formally subject to section 114 spending restrictions, the Council has resolved to continue to operate in accordance with such restrictions. To that end, Members should be mindful that requests for additional reports will need to be considered in the wider context of demand for Council resources and the requirement for the Council to only incur expenditure on statutory functions.

### 2.3 **Participation in General Purpose and Audit Committee**

Members of the Committee are also requested to give consideration to any persons that it wishes to attend future meetings to assist in the consideration of specific agenda items. This may include Cabinet Members, Council or other officers or representatives of partner organisations where the Committee feels that attendance would support their ability to fully consider specific items of business.

## 3 **RECOMMENDATIONS**

- 3.1 The Committee is recommended to agree the Work Programme 2021/22 with any agreed amendments.

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**CONTACT OFFICER:** Michelle Ossei-Gerning  
Democratic Services and Governance  
Officer- Council and Regulatory  
020 8726 6000 x 84246

**BACKGROUND DOCUMENTS:** None

**APPENDIX 1:** Work Programme 2021/22 for the  
General Purpose and Audit Committee.

## General Purposes and Audit Committee

**Chair:** Karen Jewitt

**Committee Members:** Stephen Mann (Vice-Chair), Nina Degrad, Paul Scott, Chris Clark, Joy Prince, Stuart Milson, Tim Pollard, Jan Buttinger and Steve Hollands.

**Co-optee Member:** James Smith

### 2021-2022 Municipal Year

Meeting Date	Agenda Items	Report Lead
30 June 2021	<ul style="list-style-type: none"> <li>- Report in the Public Interest Action Plan – Progress Update</li> <li>- Corporate Risk Register</li> <li>- Grant Thornton Oracle Audit</li> <li>- Anti-Fraud Update Report</li> <li>- Update on Council Whistleblowing</li> <li>- Update on Independent person for GPAC Chair (to note)</li> <li>- Terms of Reference</li> </ul>	<ul style="list-style-type: none"> <li>- Elaine Jackson</li> <li>- Malcolm Davies</li> <li>- Victoria Richardson</li> <li>- David Hogan</li> <li>- Asmat Hussain</li> <li>- Asmat Hussain</li> <li>- Democratic Services</li> </ul>
8 July 2021	<ul style="list-style-type: none"> <li>- Head of Internal Audit Report</li> <li>- Redmond Review into Local Audit Report</li> <li>- Brick by Brick Audit Report</li> <li>- Audit Findings Report</li> </ul>	<ul style="list-style-type: none"> <li>- Simon Maddocks</li> <li>- Simon Maddocks</li> <li>-</li> <li>-</li> </ul>
16 September 2021	<ul style="list-style-type: none"> <li>- Croydon Finance Review – Phase 1, 2 and 3 Reports – Update on Implementation</li> <li>- Report in the Public Interest Action Plan – Progress Update</li> </ul>	<ul style="list-style-type: none"> <li>- Ian O'Donnell</li> <li>- Elaine Jackson</li> </ul>

	<ul style="list-style-type: none"> <li>- Internal Audit Update Report</li> <li>- Anti-Fraud Update Report</li> <li>- Annual Governance Statement 19/20</li> </ul>	<ul style="list-style-type: none"> <li>- Dave Phillips</li> <li>- David Hogan</li> <li>- Matthew Davis</li> </ul>
14 October 2021	<ul style="list-style-type: none"> <li>- Anti-Fraud Update Report</li> <li>- Financial Performance Report</li> <li>- Treasury Annual Review</li> <li>- Presentation on an area of Risk</li> <li>- Periodical Review of the Scheme of Members Allowance</li> </ul>	<ul style="list-style-type: none"> <li>- David Hogan</li> <li>-</li> <li>- Nigel Cook</li> <li>- Malcolm Davies</li> <li>- Asmat Hussain/Stephen Rowan</li> </ul>
25 November 2021	<ul style="list-style-type: none"> <li>- Corporate Risk Register</li> <li>- Internal Audit update Report</li> <li>- Anti-Fraud Update Report</li> <li>- Internal Audit of Effectiveness</li> <li>- Annual Governance Statement 20/21</li> <li>- Regulation Investigatory Powers Act</li> </ul>	<ul style="list-style-type: none"> <li>- Malcolm Davies</li> <li>- Dave Phillips</li> <li>- David Hogan</li> <li>- Dave Phillips</li> <li>- Matthew Davis</li> <li>- Howard Passman</li> </ul>
13 January 2022	<ul style="list-style-type: none"> <li>- Grant Thornton Reports – Audit Findings</li> <li>- Treasury Mid-Year Review</li> <li>- Council Meeting Dates</li> <li>- Presentation on an area of Risk</li> <li>- Review of the Draft Budget</li> </ul>	<ul style="list-style-type: none"> <li>- Sarah Ironmonger</li> <li>- Nigel Cook</li> <li>- Democratic Services</li> <li>- Malcolm Davies</li> <li>- Stephen Rowan/Dave Phillips</li> </ul>
3 February 2022	<ul style="list-style-type: none"> <li>- Croydon Finance Review – Phase 1, 2 and 3 Reports – Update on Implementation</li> <li>- Corporate Risk Register</li> <li>- Internal Audit Update Report</li> <li>- Anti-Fraud Update Report</li> <li>- Report in the Public Interest Action Plan – Progress Update</li> </ul>	<ul style="list-style-type: none"> <li>- Ian O'Donnell</li> <li>- Malcolm Davies</li> <li>- Dave Phillips</li> <li>- David Hogan</li> <li>- Elaine Jackson</li> </ul>



3 March 2022	<ul style="list-style-type: none"> <li>- Grant Thornton Reports: Certification Report; External Audit Report</li> <li>- Internal Audit, Charter, Strategy and Plan</li> <li>- General Purposes and Audit Committee Draft Annual Report</li> <li>- Croydon Finance Review – Phase 1, 2 and 3 Reports – Update on Implementation</li> <li>- Presentation on an area of risk</li> <li>- Report in the Public Interest Action Plan – Progress Update</li> </ul>	<ul style="list-style-type: none"> <li>- Sarah Ironmonger</li> <li>- Dave Phillips</li> <li>- Dave Phillips</li> <li>- Ian O'Donnell</li> <li>- Malcolm Davies</li> <li>- Elaine Jackson</li> </ul>
21 April 2022	<ul style="list-style-type: none"> <li>- Internal Audit Report</li> <li>- Anti-Fraud Update Report</li> </ul>	<ul style="list-style-type: none"> <li>- Dave Phillips</li> <li>- David Hogan</li> </ul>

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