

General Purposes & Audit Committee Agenda



To: 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

Co-optee Members: Muffaddal Kapasi and James Smith

Reserve Members: Clive Fraser, Pat Clouder, Felicity Flynn, Nina Degrad, Patricia Hay-Justice, Jason Cummings, Ian Parker, Badsha Quadir and Simon Hoar

A meeting of the **General Purposes & Audit Committee** which you are hereby summoned to attend, will be held on **Monday, 26 April 2021** at **6.30pm**. This meeting will be held remotely. Members of the Committee will be sent a link to remotely attend the meeting in due course.

PLEASE NOTE: Members of the public are welcome to remotely attend this meeting via the following web link: <http://webcasting.croydon.gov.uk/meetings/12093>

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www.croydon.gov.uk/meetings
Friday, 16 April 2021

The agenda papers for all Council meetings are available on the Council website 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

To approve the minutes of the meeting held on Wednesday 27 January 2021 as an accurate record.

[To Follow]

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. Presentation on Domestic Abuse and Sexual Violence

[To Follow]

**6. Implementation of the Finance Review Phase 1 Report
(Pages 5 - 36)**

An update report on the Implementation of the Croydon Finance Review – Phase 1.

7. Internal Audit Update Report (Pages 37 - 70)

This report details the work completed by Internal Audit so far during 2020/21 and the progress made in implementing recommendations from audits completed in previous years.

8. General Purposes and Audit Committee Draft Annual Report of 2020-2021 (Pages 71 - 82)

The General Purposes and Audit Committee Annual Report of 2020-2021 is attached.

9. 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

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REPORT TO:	GENERAL PURPOSES & AUDIT COMMITTEE 26th APRIL 2021
SUBJECT:	Croydon Finance Review - Phase 1 Report - Update on Implementation
LEAD OFFICER:	Chris Buss – Interim Director of Finance, Investment and Risk
CABINET MEMBER:	Councillor Stuart King, Deputy Leader (Statutory) and Cabinet Member for Croydon Renewal
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT: <i>Implementation of the recommendations of the Croydon Finance Review forms part of the Croydon Renewal Plan</i>	
FINANCIAL IMPACT The consultancy cost of Phase 1 of the Croydon Finance Review was £48,000, with all other associated costs absorbed within existing budgets as part of business as usual. The recommendations of the review will be considered for additional funding where necessary through the council’s normal governance arrangements.	

1. RECOMMENDATIONS

- 1.1 To note and comment upon the progress in implementing the recommendations of Phase 1 of the Croydon Finance Review

2. EXECUTIVE SUMMARY

- 2.1 The council commissioned a full root and branch review of its financial management in May 2020 from a suitably qualified independent finance consultant.
- 2.2 Phase 1 of the review, which focuses on three key areas: long to medium term financial management, the annual budget, and monitoring financial performance, was considered by GPAC on 20th October 2020. GPAC received an update on implementation on 27th January 2021. This report further updates the committee on progress with implementing the 75 Phase 1 recommendations.
- 2.3 A summary of the current position concerning the implementation of the recommendations is presented at Appendix A.
- 2.3 The action plan to implement the 75 recommendations is attached at Appendix B. Progress is noted against each recommendation. Some significant progress

is reported in relation to the MTFs, budget setting, and budget monitoring.

3. BACKGROUND

- 3.1 In response to the impact of the Covid19 pandemic on the council's financial position, its capacity to deliver its budget priorities moving forward, and integration with health partners, the council commissioned a full root and branch review of its financial governance, strategy and planning, leadership, decision making, management and group company structures in May 2020.
- 3.2 The review has been carried out by a suitably qualified and experienced financial consultant, Ian O'Donnell; the former executive director of resources at Ealing Council. The review of group company structures was commissioned separately, from PWC, and has been subject to different reporting arrangements.
- 3.3 The plan was to deliver the review in phases, in line with the activity plan reported to the Croydon Finance Review Panel. However, the Croydon Renewal Plan has superseded the Croydon Finance Review and the recommendations from Phase 1 have now been incorporated in the Renewal Plan. The remainder of the review will now be delivered as part of the Renewal Plan and will be subject to the associated reporting arrangements.
- 3.4 Phase 1 focused on three key areas: long to medium term financial management; the annual budget; and monitoring financial performance. These areas were prioritised because of the urgent need to address the council's financial position and their immediate importance in that regard. The report set out 75 recommendations for change.
- 3.5 The standards used as a benchmark for the review are the various statutory and professional standards that apply to financial management in local authorities, as presented in CIPFA's Financial Management Code and in other professional advisory publications.
- 3.6 The Phase 1 report was considered by GPAC on 20th October 2020, and progress was reported to GPAC on 27 January 2021. This report provides a further update on progress with implementing the recommendations.

4. PROGRESS UPDATE

- 4.1 An action plan to implement the 75 recommendations has been created and is attached as Appendix A.
- 4.2 Some recommendations relating to key improvements have already been implemented. These include:
 - Financial governance: new arrangements are in place for budget setting involving all cabinet and ELT members in the budget development process through budget development meetings.
 - The council's medium term financial strategy (MTFS) has been reviewed and updated.

- The MTFs sets out a plan to build up reserves over three years to provide the council with adequate resilience.
- Previously unreported financial risks have been identified and included in forecasts.
- Work has been commissioned to develop a new 30 year plan for the HRA and a new Asset Management Plan.
- A review of the capital programme has been completed.
- Budget savings proposals put forward for 2021/22 have received additional validation by PWC.
- Budget monitoring is carried out monthly and reported to ELT and cabinet members, with reports to Cabinet quarterly but moving to monthly in the new financial year.
- A savings tracker has been developed and implemented to ensure budget reductions effected promptly and reported.

4.3 Meetings have been held with the officers who hold actions in order to assess progress.

4.5 It has been agreed with Internal Audit (Simon Maddocks) that the action plan will be reviewed as part of the annual audit plan, to ensure that the actions agreed are completed fully.

4.6 Progress on the implementation of these recommendations will be reported regularly to the Renewing Croydon Steering Group and Improvement Board, as well as GPAC.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 The delivery of the proposals set out in the improvement plan do require investment (both of a one-off nature and on an ongoing capacity). Provision for such investment was contained within the budget agreed by Cabinet and then Full Council in March. Investment includes that for not only the Council's finance team and systems, but also recognises the need to upskill budget managers in delivering their contribution to managing the Council's budgets.

5.2 Particular risk exists in not investing in these improvements with regard to the Council being able to accurately forecast and manage its finances over the short and medium term. Failure to make such investment and deliver on the improvement plan would be likely to lead to additional pressures in excess of the investment being required as well as a risk that MHCLG's assessment of Croydon Council's ability to re-balance its budget position without the need for commissioners to be appointed.

Approved by: Chris Buss, Interim Director of Finance, Investment and Risk

6. LEGAL CONSIDERATIONS

6.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that standards being used for the review are set out in the Chartered Institute of Public Finance and Accountancy's Financial Management Code (the CIPFA FM Code) and other professional advisory publications which embed the various statutory and professional requirements

which apply to financial management within the Council. The Council is required to apply the requirements of the FM Code with effect from 1 April 2020.

- 6.2 The CIPFA FM Code is also supported by the statutory requirement to have in place sound financial management set out in Section 151 of the Local Government Act 1972 which requires that every local authority in England and Wales should "... make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs".
- 6.3 Those responsibilities are further reinforced by Section 114 of the Local Government Finance Act 1988 which requires the Chief Finance Officer to report to all Members if there is or is likely to be unlawful expenditure or if expenditure in the year (including forecasted expenditure) is likely to exceed resources (including borrowings). Members will be aware of the two section 114(3) reports which have to date been issued by the Chief Finance Officer to all Members under these provisions.
- 6.4 CIPFA's judgment is that compliance with the CIPFA FM Code is necessary for local authorities to demonstrate that they are meeting those legislative requirements and evidence how the Chief Finance Officer is meeting their statutory responsibility for sound financial administration.

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

7. HUMAN RESOURCES IMPACT

- 7.1 There is a proposal in development concerning the structure of the Finance team. This will be brought forward through the council's usual decision-making processes in 2021/22 financial year.

8. EQUALITIES IMPACT

- 8.1 There are no specific equalities implications.

9. ENVIRONMENTAL IMPACT

- 9.1 There are no specific environmental implications

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no specific crime and disorder reduction implications.

11. DATA PROTECTION IMPLICATIONS

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

NO

There are no data protection considerations as no personal data is included in or processed in relation to this report.

CONTACT OFFICER: Chris Buss, Interim Director of Finance, Investment and Risk

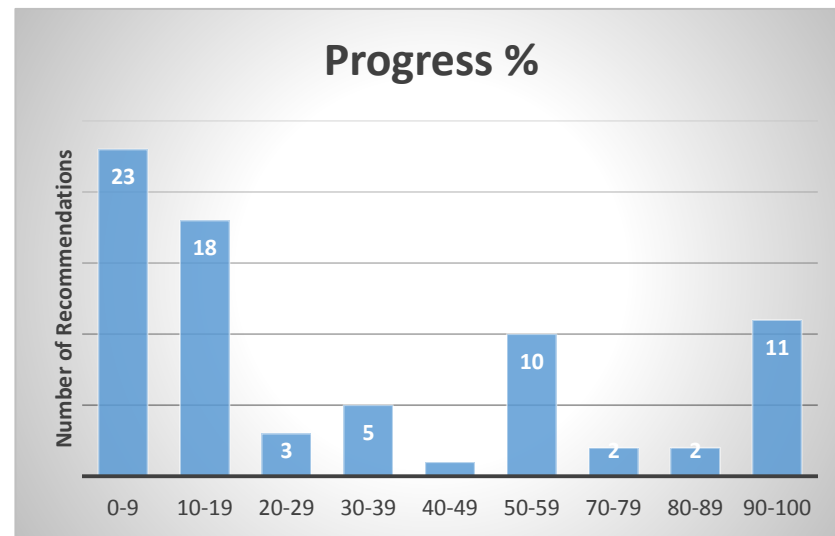
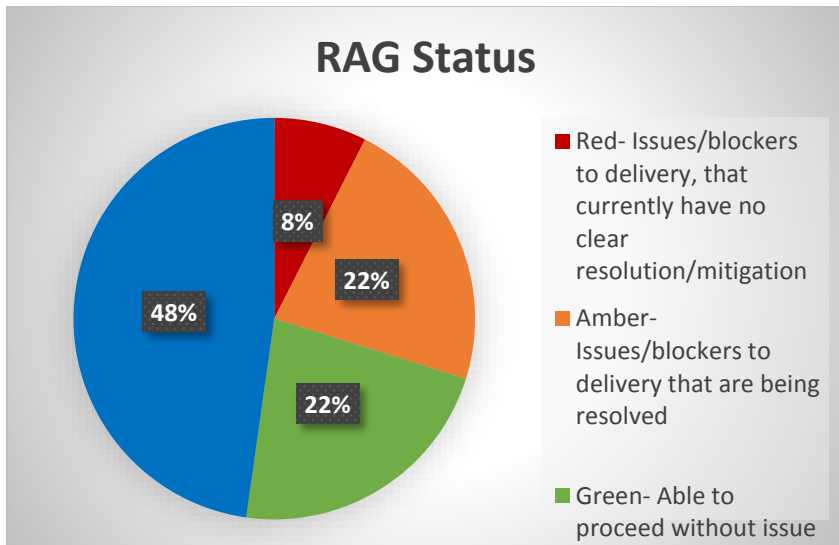
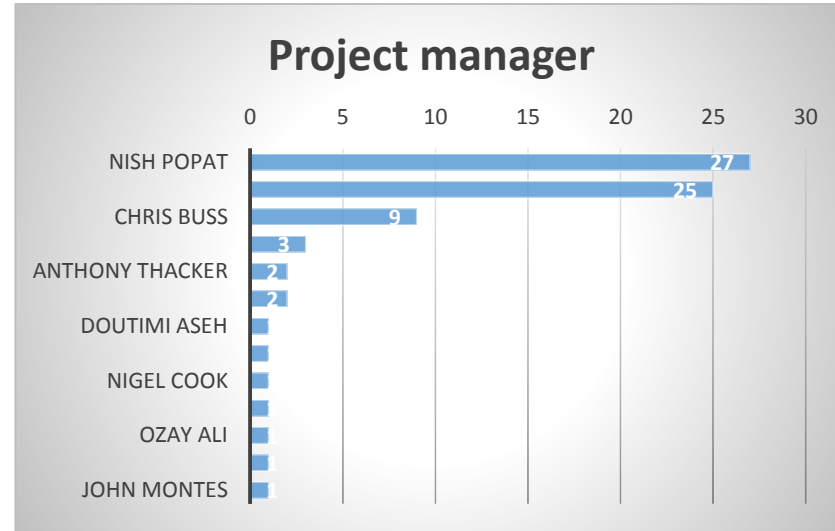
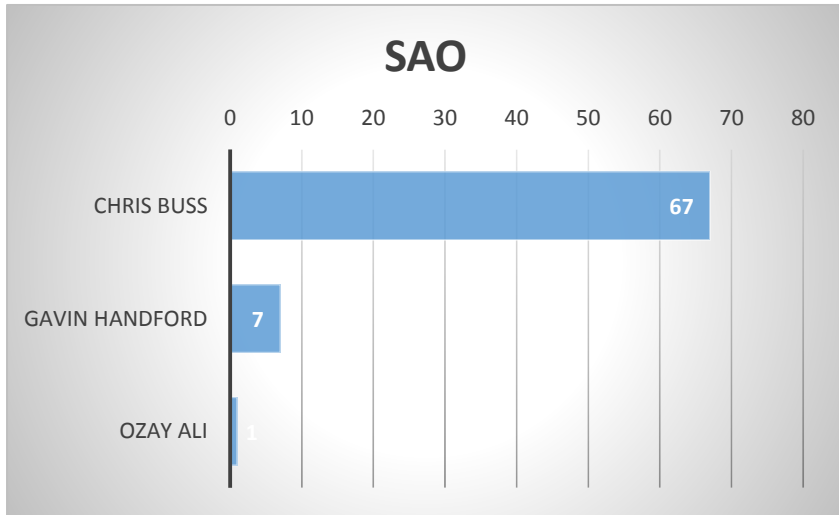
APPENDICES TO THIS REPORT

[appendices to be attached to this report must be listed in number order below]

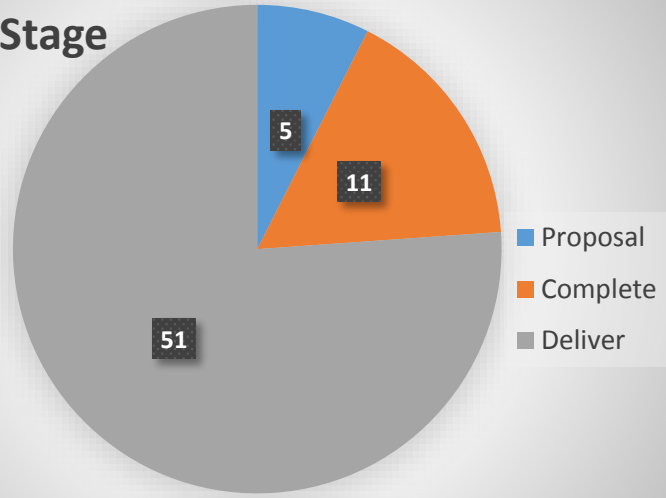
Appendix A – Finance Review Phase 1 – Progress Summary

Appendix B – Finance Review Phase 1 - Action Plan

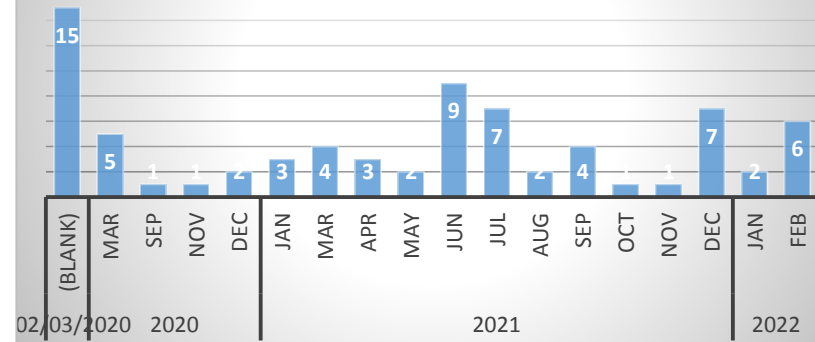
Appendix A – Finance Review Phase 1 – Progress Summary



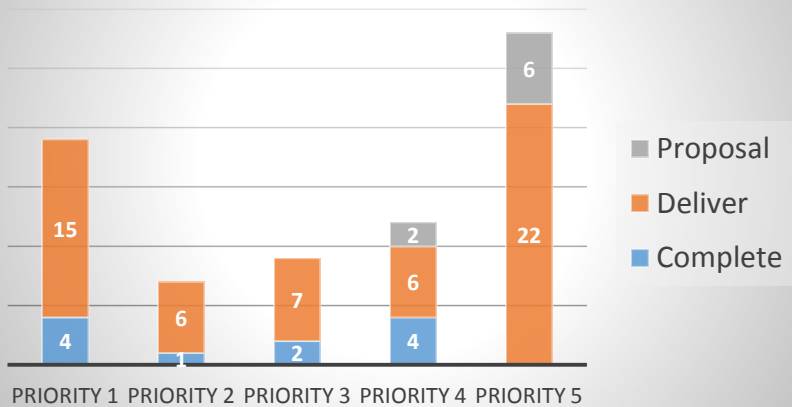
Stage



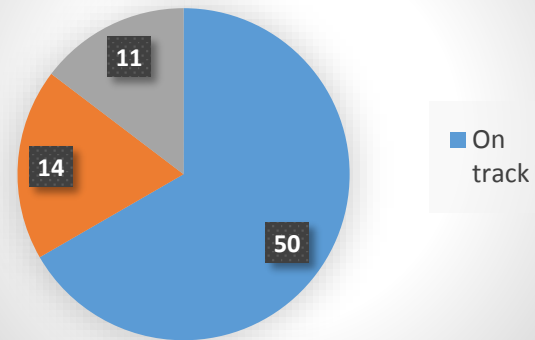
Number of Project Due to be Completed per Month



Stage of Projects by Priority



Number of Overrun Projects



Appendix B – Finance Review Phase 1 - Action Plan

Appendix A- Finance Review Phase 1 Action Plan

No.s	Recommendation	Lead Officer	Stage	% Progress	Latest update	Target end date	RAG	Path to green
1	The authority should conduct a scenario based financial resilience assessment to support the Medium Term Financial Strategy [BP 1].	Nish Popat	Deliver	50	This will be done as part of 22/23 budget setting.	01/02/2022	-	
2	The authority should make greater use of independently verified comparative data in assessing its financial resilience and ongoing financial sustainability. [BP 2]	Matthew Davis	Deliver	0	This will be completed as part of 22/23 budget setting.	01/02/2022	-	
3	Risks identified in relation to strategic partners (and captured on the corporate risk register) should be explicitly considered when taking decisions in connection with those strategic partnerships. [BP 3]	Matthew Davis	Deliver	0	This will be considered on a report by report basis and considered as part of 22/23 budget setting.	01/03/2021	-	
4	The authority should bring together the elements of its long term financial plans – i.e. the Capital Strategy, the Asset Management Plan, the Asset Investment Strategy, the 30 year business plan for the HRA, and the Treasury Management Strategy together with any other relevant long term financial planning	Nish Popat	Deliver	40	There is currently a 3 year capital strategy, but the council aims to have a 10 year strategy. A report on capital is being prepared for June/ July which will address this recommendation.	31/07/2021	Amber	The Capital Strategy, HRA Business Plan and Treasury Strategy are already included within the Councils MTFS which brings together in one place the financial impacts of the plans. Currently, no Asset

	information – in a Long Term Financial Strategy document [BP 5].							<p>Management Plan and Asset Investment Strategy exists and these will need to be developed by the necessary teams and sent to Finance.</p> <p>Finance will engage with the Property and Asset Team to ensure this is fed into the Financial Plans.</p>
5	Transformation activity should be supported by the council's strengthened programme management function to provide assurance that risks are managed and projects are delivered on time. [BP 6]	Anthony Thacker	Deliver	0	<p>A new transformation process has been created by finance with supporting documentation. This has been to ELT and has been signed-off.</p> <p>We are reaching out to finance to understand how this sits within the new programme management process.</p>		-	
6	The authority should review its MRP policy to ensure that it adequately provides for debt repayment and matches its appetite and capacity for managing risk, particularly in relation to arm's length entities	Matthew Davis	Complete	100	Completed, this policy will now be reviewed annually.		Green	

	and commercial investments. [BP 10].							
7	The authority should manage its capital programme and associated funding arrangements within the forecast prudential indicators. [BP 10]	Matthew Davis	Deliver	15	A report on capital is being prepared for June/ July which will address this recommendation.	31/01/2021	Green	
8	The authority should consider the affordability of its borrowing plans in the context of its overall budget risk and in particular the ongoing impact on the general fund of social care pressures. [BP 10]	Nigel Cook	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	01/03/2021	-	
9	The Capital Strategy should have a time horizon of 20 to 30 years [BP 11].	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/12/2021	Amber	<p>The Finance team will need to coordinate with the Council to put together a capital Strategy. The Council already has Capital Budget Plan which details where the Council is allocating resources and also maintains an asset register for accounting purposes.</p> <p>The Project Lead on this needs to be a Capital Asset expert who understands all capital development and their useful lives.</p>

10	The Capital Strategy should explore external influences in more depth and consider how these affect the requirement and scope for capital investment over the long term (20-30 years). [BP 12]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	02/08/2021	Red	<p>The Council currently does not have a formal Capital Governance arrangement where projects are challenged and scrutinised to ensure effective value for money.</p> <p>This will need to be set up which Finance will lead on to set the framework.</p> <p>But Project lead needs to be with Assets background.</p>
11	The Capital Strategy should consider and model the long term (20-30 year) impact of internal influences such as the Asset Management Plan, the Education Estates Strategy, the Asset Investment Strategy, Digital Strategy, and other strategic documents and plans that concern the acquisition, disposal or use of assets. [BP 13]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/12/2021	-	
12	The Capital Strategy should include consideration of all of the council's capital-related strategies	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/01/2022	Green	

	and plans including the HRA. [BP 13]							
13	The Capital Strategy should include consideration of risks and mitigations in relation to the council's asset investment strategy. [BP14]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/12/2021	-	
14	The Capital Strategy should consider the long term financial implications of capital investment decisions (i.e. modelled over a 20-30 year period). [BP 15]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/12/2021	Red	
15	The Capital Strategy should include consideration of the organisation's capacity to secure the forecast funding (e.g. capital receipts) and the associated risks, with particular regard to arm's length bodies. [BP 17]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/12/2021	-	
16	The Capital Strategy should consider the organisation's capacity to deliver the planned capital programme and evaluate the associated risks (e.g. impact and likelihood of slippage) [BP 17]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/01/2022	-	
17	Assessment of affordability should take into account the council's revenue position and the full range of risks associated with the proposed capital programme. [BP 18]	Nish Popat	Deliver	50	Saville's have been commissioned to write the HRA Business Plan. This will also form part of the June/ July capital report.	31/07/2021	Amber	A formal Capital Governance arrangement needs to be established so that all risks are accurately captured within the each Capital project.

18	The authority should produce a 10-year capital investment plan (i.e. capital programme) – with actions, timescales, outputs and outcomes [BP 21]	Nish Popat	Deliver	33	A report on capital is being prepared for June/ July which will address this recommendation.	21/12/2020	Amber	The Council produces a 3 year Capital Plan. This will need to be extended to 10. Capital Planning needs to move to Corporate and then work with Colleagues in the Council to put a longer Capital Plan.
19	The Capital Strategy should capture the significant risks and mitigations in relation to the capital programme. [BP 22]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/12/2021	Red	Set up a governance and capital monitoring process that allows for risks and mitigation to be captured at the front end and then monitored regularly as part of the Monitor. Capital Needs to move to Corporate Finance.
20	The authority should ensure that its governance arrangements concerning capital are fit for purpose and clearly set out in the Capital Strategy and the council's Financial Regulations. [BP 23]	Nish Popat	Proposal	20	A report on capital is being prepared for June/ July which will address this recommendation.	31/07/2021	Amber	Initial flow charts and framework have been created. Need to begin to socialise with S151 officer and wider organisation.
21	The authority should ensure that capital decisions are made in compliance with the agreed	Nish Popat	Deliver	10	A report on capital is being prepared for June/	30/08/2021	Amber	A Capital Governance Process has been designed. However,

	governance arrangements. [BP 23]				July which will address this recommendation.			needs significant consultation and engagement with relevant stakeholders. A project plan needs to be designed and delivered as the capital governance process will be a new way of working and staff across the organisation will need to be informed and trained.
22	The authority should maintain an up to date asset management plan for operational property [BP 8, BP 24]	Simon Maddocks	Deliver	0	A report on capital is being prepared for June/ July which will address this recommendation.		-	
23	The authority's asset management plan for operational property should meet best practice standards. [BP25]	Stephen Wingrave	Deliver	15	A report on capital is being prepared for June/ July which will address this recommendation.	30/09/2021	Amber	- Approval of AMP budget - SCP approval for AMP expertise to write specification - procurement support for tender process - in house commercial expertise to manage AMP

24	The MTFS should be rolled forward annually in July and updated in February as part of the budget setting process. [BP 26]	Matthew Davis	Deliver	5	On track to be updated in 21/22	01/03/2021	Green	
25	The MTFS should forecast 3-5 years ahead. [BP 27]	Matthew Davis	Deliver	50	3 Year MTFS completed as part of 21/22 budget setting. Going to forecast 4 years ahead. July new MTFS will begin and this will be completed.	30/06/2021	Green	
26	The council's budget setting process should bring together well-evidenced proposals for savings and growth that are based on a detailed understanding of costs and business practices and have clear delivery plans. [BP 28]	Matthew Davis	Deliver	50	Completed for 21/22 budget- all savings and growth proposals submitted a bid form which detailed milestones, risk etc. This will be an on-going process.	23/09/2020	Green	
27	The budget report should update the MTFS, reconciling the previous MTFS forecast budget gap to the proposed budget. [BP 29]	Matthew Davis	Deliver	50	Completed for 21/22 budget.	01/02/2022	Green	
28	Service plans should be kept up to date and linked to the MTFS, in particular with regard to significant savings, growth, demand management and cost control matters. [BP 30]	John Montes	Deliver	0	Service plans delayed until October.	31/01/2021	Amber	
29	The authority should introduce systematic benchmarking of service performance with other	Caroline Bruce	Proposal	0	There is a report to Cabinet on the 12 April which sets out the next		Green	There is a detailed road map to delivery which to date is on

	organisations and with its own performance over time as part of its performance regime. [BP 31]				steps in order to deliver a robust corporate performance reporting framework. Work is underway to deliver this in full by September. This is an iterative process with the first draft of a performance report due to be presented to Cabinet and ELT in June. A further report will go to Cabinet in June to finalise the arrangements. Benchmarking against our previous performance, statistical neighbours, London and England averages will form part of the report.			track. There are some dependencies in terms of accessibility to benchmarking data in arrears where we may not subscribe
30	The authority should track progress in delivering planned savings through a savings tracker that should be reported with the monthly budget monitoring statement. [BP 32]	Anthony Thacker	Deliver	0	The Power BI tool has been demo'd to the steering group and is currently being introduced to the departments by the CPMO via their DLT's. The next stage is to get feedback which allows power BI to be used in departmental and	18/12/2020	-	

					<p>service level meetings.</p> <p>It is expected this will require development to the LBC delivery tracker (changes to fields and the way data is captured).</p> <p>We have had commitment from finance this will be the single source of truth and they will not maintain any local (excel) trackers and that our CEO and S.151 officer will use power BI in future finance assurance meetings.</p>			
31	The MTFS should contain analysis of the use of reserves against plan in the recent past, and the planned use of reserves over the MTFS period. The analysis should be underpinned by an analysis of financial risk. [BP 33]	Matthew Davis	Deliver	50	Completed for 21/22	01/02/2022	Green	
32	The council should review group and company structures to ensure they are necessary and fit for purpose at regular intervals or when there is a significant change in the regulatory or funding framework. [BP 34]	Matthew Davis	Deliver	10	Review is on-going with Chris Buss and Asmat Hussain. This will be completed by September	01/09/2021	-	

33	Agreements with arm's length bodies should contain provision for the authority and its external auditors to have access to the records of the funded body. [BP 38]	Sean Murphy	Deliver	20	Completed with regard to Brick by Brick. This will part of the review in CFR32.	30/06/2021	-	
34	The authority should ensure its representatives on boards are adequately supported to drive the authority's strategic objectives through the activities of the arm's length body. [BP 39]	Doutimi Aseh	Deliver	0	Part of CFR32 review	01/09/2021	-	
35	The authority should ensure that in relation to its representation on the boards of arm's length companies, any conflicts of interests are identified and avoided or escalated and resolved. [BP 39]	Chris Buss	Deliver	0	Part of CFR32 review	01/09/2021	-	
36	The budget report should update the MTFS each year, reconciling the budget proposals to the previous MTFS forecast, to ensure that the proposed budget and the medium term financial plan are in step and based on the latest information. The MTFS should be revised in full in July each year. [BP 42]	Matthew Davis	Deliver	50	Complete for 21/22. Starting for 22/33-on track	31/07/2021	Green	
37	The authority should bring together the elements of its long term financial plans in a Long Term Financial Strategy document	Matthew Davis	Proposal	0	Finance aim to prepare a document for July		-	

	(see BP 5 above). The budget report should evidence consistency with the long term financial strategy. [BP 42]							
38	Departments should have clear financial targets to work to in developing budget options. [BP 43]	Matthew Davis	Deliver	50	Complete for 21/22 budget. Departments will be given their 22/23 targets in April.	30/04/2021	Green	
39	In order to allow sufficient time for departments to develop robust proposals for growth and savings to feed into the budget decision-making process, departments should start work as early as possible in the cycle. This means not waiting until the MTF5 has been revised but working to provisional targets beginning as early as May. [BP 43]	Matthew Davis	Deliver	0	Departments will be given their 22/23 targets in April.	30/04/2021	-	
40	The budget process should enable budget proposals to be built from the bottom up, so that they are underpinned by the expertise of practitioners. [BP 43]	Matthew Davis	Complete	100	Complete		-	
41	As part of the budget development process departments should collaborate across departmental boundaries to develop robust and deliverable cross-cutting savings proposals. [BP 43]	Matthew Davis	Deliver	0	Reviewing contracts and opportunities for digitisation across departments currently.	02/03/2020	-	
42	Budget proposals should be evidenced by performance data	Chris Buss	Deliver	0	Benchmarking data presented at all BDM for	30/04/2021	-	

	and modelling to demonstrate robustness and deliverability, with performance and value for money benchmarked over time and against other organisations. [BP 43]				21/22 budget setting. Departments will be given the target to have their costs in the bottom quartile of London Boroughs.			
43	Meetings between officers and members to explore budget options (Budget Development Meetings) should focus on prioritisation of proposals. Proposals should not be screened out politically before being presented at Budget Development Meetings. [BP 43]	Matthew Davis	Deliver	10	Guidance for 22/23 going to ELT in April.	30/11/2020	-	
44	The budget report should contain only savings proposals for which there is a clear and achievable path to benefits realisation. [BP 43]	Matthew Davis	Deliver	50	Completed for 21/22	01/02/2022	-	
45	The budget proposals brought forward by departments should be prioritised by members. Friendly and constructive challenge has an important role to play in the development of proposals, to ensure that they are aligned with corporate priorities, are developed to their full potential, and are sufficiently robust and deliverable. For these reasons budget development meetings should be held in	Matthew Davis	Deliver	0	Finance aim to have savings proposal at September Cabinet	02/03/2020	-	

	September / October involving both members and officers. To ensure collective ownership of the financial position and decisions, all cabinet and ELT members should be invited to each meeting. The meetings will follow an agreed format and focus upon a particular set of proposals, grouped by theme (e.g. Capital) or by department. [BP 44]							
46	The budget development process should engage CLT members (i.e. directors), not only in their role as originators of budget savings and growth proposals, but collectively through regular briefings. [BP 44]	Chris Buss	Deliver	0	Update given at GPAC: 27.1.21 There have been internal communications concerning the budget but we are unable to evidence a communications plan specifically for the budget. There have been regular communications to CLT throughout the budget setting process through DMTs and directly from CEO.	02/03/2020	-	
47	Scrutiny should have a formal role in the process, with pre-scrutiny of proposals for significant change being feasible because of longer development timescales. Scrutiny	Chris Buss	Deliver	0	To begin after September		-	

	of budget proposals should take place in the period November to February as the proposals are brought forward for Cabinet approval. [BP 44]							
48	The budget report should update the MTFS with any new assumptions arising from current financial performance as well as external factors. This should include any significant over/under-spending and an update on the delivery of planned savings and growth proposals in the current year. [BP 45]	Matthew Davis	Deliver	50	Completed for 21/22	28/02/2022	Amber	MTFS and Budget Process will need to be enhanced for 22/23 budget and work will need to start in early May 21.
49	The budget report should include analysis of the use of reserves and balances compared to plan. [BP 45]	Matthew Davis	Complete	100	Complete		Green	
50	The target level of reserves should be set by the s151 officer based on their professional judgement about the risks the council is facing, and the budget plan must prioritise maintaining the reserves at the target level above any operational considerations. The minimum level of reserves cannot be set on the basis of affordability in comparison with other priorities, but must be set on the basis of risk assessment as a fundamental requirement that	Matthew Davis	Complete	100	Complete	02/03/2020	Green	

	underpins the stability of the organisation. [BP 46]							
51	A full budget monitor should be produced monthly and reported to departmental management teams and to ELT. Cabinet should receive its first report on budget monitoring as early as possible in the cycle, which is likely to be the July Cabinet meeting. [BP 47]	Nish Popat	Complete	100	Complete	02/03/2020	Green	
52	The budget monitoring report should not only set out the financial forecast and associated risks but should also set out any corrective action required and the associated implementation plan. [BP 47]	Matthew Davis	Deliver	0	Not started on corrective action this will be implemented from May		-	
53	The budget monitor should incorporate a savings tracker, monitoring the realisation of savings proposals introduced through the budget setting process. [BP 47]	Nish Popat	Deliver	30	Will be done from May as part of new reporting processes	30/06/2021	Amber	<p>A Savings Tracker has been designed based on 20/21 savings list.</p> <p>Further work needs to be done to consult with Service Finance Teams on this and ensure we have an effective way of updating the Savings Tracker and monitoring progress on delivery.</p>

54	Where overspending is forecast, executive directors should set out options for bringing spending back within the agreed bounds and these should be considered and approved without delay through the appropriate governance arrangements. [BP 47]	Nish Popat	Deliver	0	Will be done from May as part of new reporting processes.	30/06/2021	-	
55	Budget managers should be held to account if they do not remain within their agreed budget plan / promptly take corrective action when overspending is forecast. Failure to take appropriate action is a serious issue and potentially a disciplinary matter. [BP 47]	Chris Buss	Complete	100	Will be done from May as part of new reporting processes	30/06/2021	-	
56	The finance team should be increased in size to enable monthly budget monitoring. [BP 47]	Chris Buss	Complete	100	Restructure planned for later in the year	30/06/2021	-	
57	The data that budget holders rely upon to make their budget forecasts such as the staffing establishment should be corrected and kept up to date. [BP 48]	Gail Nicolson	Deliver	70	The project delivering this work has been paused on instruction from Elaine Jackson. This is so Ian O'Donnell new project reviewing the council's financial systems and data can be scoped. This work will most likely form part of this project and will therefore	30/06/2021	Red	

					recommence as part of lan's new project.			
58	The authority should consider ways of improving the MyFinance system to make it more intuitive and user friendly, or consider moving to another system that more closely meets budget holder requirements. [BP 48]	Nish Popat	Deliver	20	Work to commence. Need complete this by February 2022	31/05/2021	Amber	Engagement with supplier to gauge costs, items that are possible to change within the system and delivery.
59	The authority should review and correct base budgets to ensure that they represent a credible spending plan for the year, particularly where there is an ongoing pattern of significant over/underspending . [BP 49]	Matthew Davis	Deliver	80	To be completed by end of May	01/07/2021	Amber	Further detailed work will need to be done to understand Budget requirement within Social Care and Housing GF.
60	Employee budgets should be reconciled to and kept in step with the staffing establishment data. [BP 49]	Gail Nicolson	Deliver	0	The project delivering this work has been paused on instruction from Elaine Jackson. This is so Ian O'Donnell new project reviewing the council's financial systems and data can be scoped. This work will most likely form part of this project and will therefore recommence as part of lan's new project.	08/03/2021	Red	

61	Operational performance data should be reported alongside financial performance data to enable a full understanding of the cost/income drivers. [BP 49]	Caroline Bruce	Proposal	0	This needs to be considered as phase two of the CFR65 project. In order for financial information to be pulled directly from the My Resources My Finance module we need an SME of the system to work with the BI team to ensure that we can secure the data into the lake. This is not currently possible and there is no in house expertise to do this. The BI team have raised this with IOD as part of his review work and to ELT.	31/01/2021	Red	We need to secure expert knowledge of the back end of the MyResources system in order to work with the BI technical engineer.
62	The council's budgetary control systems should support the use of profiling by budget holders. The guidance for MyFinance should support the use of budget profiles. [BP 50]	Nish Popat	Proposal	0	To be completed by September	31/12/2021	-	This will depend on the systems ability to provide profiling. This is being scoped out currently. Low confidence delivery score.
63	Information should be presented in a more user friendly format that supports budget holders to understand the implications and take action. Operational performance information should be presented alongside the	Nish Popat	Proposal	10	First part completed by May. Part 2 an aspiration.		Amber	A revised format has been presented for Q3 but the financial performance needs to be redesigned. Finance needs to

	financial information. [BP 51]							work with services so they provide detailed information on their data. There are issues in the service around how data is managed and held.
64	The MyFinance system should produce the summarised information needed by heads of finance when reporting the financial position without the need for further intervention. [BP 52]	Nish Popat	Deliver	75	To be completed by end of May.	31/05/2021	Amber	New reports and training on how to download these reports will be provided as part of wider MyFinance improvement.
65	Operational performance information should be presented alongside the financial information. [BP 52]	Caroline Bruce	Proposal	80	This relates to the first phase which is reporting the financial information with regard to savings within the LBC tracker. To date, the BI team have been working with finance to develop a BI dashboard which will pull the finance information from the tracker as the one source of data. Nish and colleagues have been carrying out testing and we are awaiting final sign off of this stage.		Green	Final sign off by finance colleagues. Potential risk to reporting is that the LBC tracker is not updated regularly by finance colleagues
66	High risk budgets should be scrutinised by ELT and Cabinet	Chris Buss	Complete	100	Completed	30/06/2021	-	

	members monthly as a minimum. [BP 53] see also BP 52							
67	ELT should receive a monthly budget monitoring report, which should also be shared with cabinet members. Formal quarterly reporting to Cabinet should continue. [BP 53]	Nish Popat	Complete	100	Completed	30/06/2021	Green	<p>A monthly budget monitoring report is being produced for ELT. I need to confirm with Lisa if this is being presented to cabinet members. There is also an annual budget monitoring timetable that has been set which notifies budget holders when they need to complete the return by. I have also built in an extra day of Corporate Finance challenge.</p> <p>Currently we seem to struggle to get it out as per the timetable due to delays in receiving the report. We are working on improving this.</p>
68	The authority should standardise the presentation of financial performance information. [BP 53]	Nish Popat	Complete	100	Completed	31/07/2021	Green	New Budget monitoring report being designed and content needs to be considered based on data available.

69	The authority should review the level of contingency and also the level of the general fund balance to ensure these are at an appropriate level to manage the risks the authority is facing. On the basis of current overspending both are too low. [BP 54]	Chris Buss	Complete	100	Completed		-	
70	The authority should consider identifying and monitoring specific budget risks in relation to partnerships and collaborative ventures as part of its routine budget monitoring. [BP 56]	Matthew Davis	Deliver	0	Incorporated into existing processes		-	
71	The authority should profile capital budgets accurately, aligning spend with the project delivery plan. [BP 57]	Simon Maddocks	Proposal	10	This recommendation will address in the June/ July Capital Report	31/10/2021	Red	The Council will need to ensure robust project delivery plans exist. Capital will need to be brought to Corporate and engage with services for project plan.
72	A standard programme/project methodology should be applied to all capital projects. [BP 57]	Chris Buss	Deliver	10	This recommendation will address in the June/ July Capital Report		-	This will form part of the capital governance arrangements. Most projects are different in nature so will be difficult to apply a standard approach.
73	Capital underspends should be returned for reallocation to other	Nish Popat	Deliver	30	This recommendation will address in the June/ July Capital Report	30/11/2021	Amber	Will be covered as part of the Capital Governance process.

	priorities and not retained by departments. [BP 57]							
74	Appropriate governance arrangements should be in place to oversee the delivery of the capital programme at a detailed level – this may be the Growth Board or a new arrangement. [BP 57]	Nish Popat	Deliver	30	Nish Popat has designed a framework. Next step to design the details eg business cases template Complete by September	31/07/2021	Amber	Further refinement work of the governance process needs to be carried out. New framework needs to be socialised and agreed. Implementation
75	The authority should monitor balance sheet risks such as the collection of sundry debtors, and use of provisions and reserves against plan, as part of the monthly budget monitoring arrangements. [BP 58]	Nish Popat	Deliver	30	Will do a half yearly review at the end of september.		Amber	Corporate Finance have started work on building a Grants Register and a Reserve Register. As part of the Year end requirements the Finance team is building a register for Provisions with effective workings behind it so to track the risk. From 2021/22 Corporate Finance will introduce Balance Sheet reconciliation requirements where each balance sheet

								code will have a responsible Accountant assigned to it and it will be there responsibility to manage those balance transactions.
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Agenda Item 7

REPORT TO:	GENERAL PURPOSES & AUDIT COMMITTEE 26 April 2021
SUBJECT:	Internal Audit Update Report To 28 February 2021
LEAD OFFICER:	Simon Maddocks, Head of Internal Audit
CABINET MEMBER:	N/A
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT: 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.	
FINANCIAL IMPACT The Internal Audit contract for 2020/21 is a fixed price contract of £390k and appropriate provision has been made within the budget for 2020/21.	

1. RECOMMENDATIONS

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

2. EXECUTIVE SUMMARY

- 2.1 This report details the work completed by Internal Audit so far during 2020/21 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 2020/21 and audits relating to the 2019/20 plan, but finalised after the period covered by the last annual report,
 - lists of follow up audits completed and the percentage of priority one, and other audit recommendations implemented, and
 - Other internal audit work.
- 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.
- 3.3 Of the reports finalised and issued since the last annual report, 62% have received Full or Substantial Assurance, which is an improvement on last year.
- 3.4 In addition to standard audits and in order to focus on key controls, the 2020/21 Internal Audit Plan included a single 'continuous audit' of some key controls. This being a quarterly audit of key controls across some of the key audit areas. The outcomes so far highlighted the following issues:
- Housing voids were not being properly monitored, with housing void reports not been prepared or shared monthly.
 - Reconciliations of the Housing Repairs system to MyResources were not being conducted monthly, with reconciliations for August to September 2020 not being completed.
 - Monthly reconciliations of the Payroll system to MyResources for April to September 2020 were not evidenced as checked. These were subsequently checked in January 2021.
 - Quarterly debt write offs had not been conducted for parking enforcement or accounts receivable.
- 3.5 More informally, there is help, training and support provided to services that get into difficulties with matters relating to financial systems and processes. This is showing that there is still a lack of understanding of the importance of:
- Setting up suppliers before or at the start of an engagement
 - Raising Purchase Orders at the time that a service is procured

- Not sitting on invoices until suppliers start to chase and even threaten legal action or refuse to deal with the Council
- Doing IR35 (Tax status) checks before determining how sole contractors will be paid
- Getting Procurement Card spend properly and promptly approved
- Not using ad-hoc/one time payments instead of setting up suppliers because of loss of supplier information and difficulty reclaiming VAT

3.6 Although the results of formal audits completed so far are encouraging and much work has been done across the organisation since the Report in the Public Interest was issued by the External Auditor and last years Limited Assurance by Internal Audit, other indicators are suggesting that internal control still has some way to go. It is still possible that this year's internal audit assurance level may again be limited. These other indicators include, inter alia, the continuous auditing results and general support issues identified above, several organisation wide audit reports that are still draft but are currently unsatisfactory, and the several external reports published during the year identifying issues with internal control, governance and good practice.

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 2015/20 audits are shown Table 1.

Table 1: Implementation of Audit Recommendations

	Target	2015/16	2016/17	2017/18	2018/19	2019/20
Implementation of priority one recommendations at follow-up	90%	100%	98%	100%	92%	91%
Implementation of all recommendations at follow-up	80%	94%	93%	91%	87%	90%

5. PROGRESS AGAINST THE AUDIT PLAN

5.1 By February 2021 **61%** (83% last year) of the 2020/21 planned audit days had been delivered and **25%** (62% last year) of the draft audit reports due for the year had been issued. As previously predicted the plan will not be completed on time this year. The delays so far this year have 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 and lack of capacity within the organisation to catch-up as the year has progressed.

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.

6.3

Debtors (Accounts Receivable) (Substantial Assurance)
No Priority 1 Issues
Priority 2 Issues <ul style="list-style-type: none">• Testing of a sample of 20 newly created or amended debtor accounts found that 8 of these were not created /amended within the 5 day target,• 30 of the 124 unprocessed invoices/ credit notes were pending at the time of audit (in March 2020), had been outstanding for more than three working days (between 5 and 70 days),• At the time of the audit (in March 2020), there were 77 open tasks totalling £395,034.72 relating to disputed invoices dated between July 2019 and December 2019,• Write-off batches were not being processed on a quarterly basis.

6.4

Enforcement Agents (Substantial Assurance)
No Priority 1 Issues
Priority 2 Issues <ul style="list-style-type: none">• There was no evidence to confirm that complaints received by enforcement agencies were notified to the Council in a monthly report (as required by the Local Guidance for Enforcement Agents and Local Enforcement Agencies).• Meetings with the respective enforcement agencies used for business rates and council tax collections were held sporadically and not on a monthly basis as required.

6.5

Staff Code of Conduct (Substantial Assurance)
No Priority 1 Issues
Priority 2 Issues

<ul style="list-style-type: none"> • Some of the policy/ guidance documents referenced in the Code were more than two years old or did not exist. • No documented evidence was available to demonstrate how the Human Resources team obtained assurance that compliance with Code was being enforced. • The record of breaches of the Code for 2019/20 maintained by Human Resources was incomplete and did not evidence that cases were being dealt with in a timely manner. • Evidence was only available that 626 of the Council’s staff (about 18% of the workforce) had completed the mandatory eLearning training on the revised Code

6.6

IT Policies (Substantial Assurance)
No Priority 1 Issues
Priority 2 Issues <ul style="list-style-type: none"> • There was no dedicated clear desk & clear screen policy (either as a standalone or as a section of the information management policy), to promote data and information security. • A number of the key IT policies were overdue a review and, where appropriate, an update.

6.7

Microsoft Direct Access Operating System (Substantial Assurance)
No Priority 1 Issues
Priority 2 Issues <ul style="list-style-type: none"> • Through review of the authenticated patch assessment of the Windows 2012 R2 server it was identified the server was missing some operating system security patches and software updates that fix publicly known security vulnerabilities.

6.8

Peoples ICT Application (Substantial Assurance)
No Priority 1 Issues
Priority 2 Issues <ul style="list-style-type: none"> • Risks associated with the programme were not reflected within the corporate risk register, however we do note that each project within the programme has its own risk register which are reported and escalated

where appropriate to do so.

- There was not a documented terms of reference for all forums within the programme managing projects relating to Adults Social Care, Children, Education, Housing and Asset Management nor defined the frequency of those forums
- There was not a developed communication plan for any of the projects, with the exception of Adult Social Care.
- The limited initial project initiation documentation (PID) and business cases had not been reviewed since these were initially defined. Subsequent actions have been taken that may mean that the programme may now not reflect the initial defined business case or objective as the project has evolved.
- There have been challenges dealing with a number of the third parties contracted to the programme. In particular we were informed by the Programme Manager that the contracts with Albany Beck / BetterGov had to be redesigned as these were not clearly defined in the early stages of the project. This resulted in 4-6 months of renegotiation between the Council and the service provider.
- The programme did not follow the Council's programme methodology nor did the underlying projects. We did note that the programme has followed the general principles of PRINCE II / MSP but had to make pragmatic decisions to enable the mobilisation of the projects, as so much time had been lost in the procurement phase.

6.9

Staff Debt (Limited Assurance)
Priority 1 Issues <ul style="list-style-type: none">• It was identified that no recovery actions had been made for 37 (out of the 70) salary overpayments despite these being over a year old. The total outstanding balance of salary overpayments was £180,038.48.
Priority 2 Issues <ul style="list-style-type: none">• Examination of the Council's Corporate Debt Recovery Policy identified no explicit reference to the treatment of staff debt. Furthermore, the Council did not have a policy that establishes a staff debt handling procedure.• Through discussions with the Corporate Debt Recovery Team and Payroll it was established that there was no policy or established procedures in place to allow for staff to make a declaration of debt.• It was established that there is no robust means of identifying staff in non-employment related debt. The identification of staff in such debt is a matter of coincidence rather than process.• Reconciliation between the benefit agreements and payslips of 15 employees identified one case in which the value of the administrative

costs that were charged to the employee were incorrect.

- Examination of the latest write-off batch spreadsheet identified that it had not been prepared with the frequency detailed in the Corporate Debt Write-Off Policy.
- It was established that since June 2018 Income and Debt Board meetings had ceased. Furthermore, there was no evidence that staff debt performance metrics had been produced during this period.

6.10

SEND (Limited Assurance)

Priority 1 Issues

- The spreadsheet used to record EHC needs assessment requests and whether the six week timescale to inform parents was being met (as set in the Council's SEN Code of Practice), did not detail that the parents had been informed in 333 cases (despite six weeks having elapsed since the EHC request). In another 29 instances (where there was a record of the parents being informed) the parents were informed late.
- 79 out of 302 (26%) EHC plans issued in 2019/20 were not completed and issued within the statutory 20 week period.

No Priority 2 Issues

6.11

Enforcement Agents – Procurement (No Assurance)

Priority 1 Issues

- The published Contract Notice 2019 OJS113 277545 was open for 27 days only and not 30 as required by The Public Contracts Regulations 2015.
- As well as incomplete scoring initially, the spreadsheet used for both 'Corporate Services' and 'Parking Services' scoring were not locked down on non-input cells to help protect the integrity of the scoresheet. This resulted in a number of irregularities:
 - direct input to the summary worksheet overwriting the formula driven cells (both Corporate and Parking Services);
 - part incorrect cell addresses in the arithmetic of a number of cells (Parking Services);
 - incorrect cell addresses brought forward in some cell formulas (Parking Services); and
 - Neither the first and second scoresheets included evaluator comments to help drive subsequent discussion and exploration of the bids in moderation (Corporate Services).

- An individual scoresheet and the record of moderation are missing for the tender evaluation of January 2018.

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.

- A number of formal agreements extending the arrangements with the service providers could not be provided.

Priority 2 Issues

- In order to collect comments as part of the exercise to recreate the moderation comments, a 'moderated' scoresheet was provided to evaluators to populate. Cells F166 167 of the worksheet 'Corporate Services' had transposed the incorrect scores.
- Inequitable numbers of representatives of interested parties to the tender evaluation of one moderation meeting took place risking subconscious bias.

6.12

Forestdale Primary School (Substantial Assurance)

No Priority 1 Issues

Priority 2 Issues

- The Finance Policy & Procedures document, dated May 2020, included some anomalies such as approvals by Finance Committee when there is no Finance Committee.
- Although right to work checks had been conducted for the three new starters sampled, copies of documentation seen as part of this process had not been retained as required.
- Examination of the documentation held for a sample of transactions found that for the three above the limit at which they required approval by the full Governing Body, there was no evidence of approval other than by the Headteacher.
- Examination of the documentation held for a sample of 15 transactions found that five of the purchase orders were dated after that of the corresponding invoices.
- 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.
- 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) reviewed as part of the audit identified that, while the School has a good overall

level of compliance, some gaps were noted.

6.13

Archbishop Tenison's CE High School (Limited Assurance)

Priority 1 Issues

- 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

- Examination of the Staff, Finance and Premises Committee found that the meeting minutes did not include a standing opening item for declaration of interests.
- Sample testing of the records for three new starters found that evidence of 'right to work' checks was not being maintained as required.
- Testing of a sample of five starters found that for one of the staff members, the post was not advertised, no panel notes were kept and only one reference has been obtained.
- Inspection of the Single Central Record found that for three staff members and six Governors, DBS's had not been renewed for over three years.
- Examination of the Business Continuity Plan shows that it was last reviewed in February 2016.
- The Schools Information Asset Register (or other alternative document) could not be located at the time of audit, although this was subsequently located.
- 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.

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 £390k for 2020/21 and there is adequate provision within the budget. There are no additional financial considerations relating to this report
- 8.2 Internal Audit's planning methodology is based on risk assessments that include using the Council risk registers processes.

(Approved by: Geetha Blood, Interim Head of Finance Place and Resources)

9. LEGAL CONSIDERATIONS

- 9.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that the Council should take steps to improve the Assurance level within the Council.
- 9.2 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.
- 9.3 In considering the recommendation in this report the Committee should have regard to the Council's overall governance and financial position. It should be noted that Croydon Council's external auditors have published on 23 October 2020 a Report in the Public Interest which identifies governance weaknesses. Further, that the Council accepted the findings of a rapid review carried out on behalf of the Ministry of Housing, Communities and Local Government (MHCLG). This resulted in Croydon's Improvement and Assurance Panel, the government-appointed panel which provide external advice, challenge and expertise to the council, along with assurance to the Secretary of State as the council continues to deliver its renewal plans. They will measure the council's progress against agreed milestones and report to MHCLG on a quarterly basis. The view of internal audit, at paragraph 6.3 should also be carefully considered. In particular that there remains issues with internal control, governance and good practice.
- 9.4 The Committee should note that the Council is under a duty (s3(1) Local Government Act 1999) to obtain Best Value and make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

10. HUMAN RESOURCES IMPACT

- 10.1 Whilst there are no immediate human resources issues arising from this report for LBC employees or staff, the outcomes as identified in section 6, namely Staff Code of Conduct and Staff Debt, are noted.

(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.

CONTACT OFFICER: Simon Maddocks, Head of Internal Audit

BACKGROUND DOCUMENTS: Internal Audit report for the period to February 2021
(appendix 1)

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London Borough of Croydon

Internal Audit Report to February 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. This led to all internal audit work pausing for a period of months impacting on completion of the 2019/20 plan as well as commencement of the 2020/21 plan. The 2020/21 plan was presented to the General Purposes and Audit Committee on 17 March 2020 but work only commenced with restricted staffing from July 2020 before fully commencing from September 2020. Notwithstanding the pause in conducting internal audits, follow up work continued with good performance in this area.
- 1.2 For the 2020/21 plan, at 28 February 2021, Internal Audit had delivered 61% of the planned days, with 16 draft reports and 6 final reports issued. Whilst this is behind what might normally be expected, this has arisen due to the impact of Covid-19 and delivery of the remaining reviews that had been paused from the 2019/20 plan at the point of lockdown.
- 1.3 The table below details the performance for the 2020/21 plan against the Council's targets.

Performance Objective	Annual Target	Year to Date Target	Year to Date Actual	Performance
% of planned 2020/21 plan days delivered	100%	93%	61%	▼
Number of 2020/21 planned days delivered	880	818	536	▼
% of 2020/21 planned draft reports issued	100%	80%	25%	▼
Number of 2020/21 planned draft reports issued	65	52	16	▼
% of draft reports issued within 2 weeks of exit meeting	85%	85%	88%	▲
% of qualified staff engaged on audit	40%	40%	35%	▼

2. Audit Assurance

2.1 Internal Audit provides four levels of assurance as follows:

Full	The systems of internal control are sound and achieve all systems objectives and that all controls are being consistently applied.
Substantial	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.
Limited	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.
No	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 the date of the last annual report to 28 February 2021. Details of the key issues arising from these reports are shown in Appendix 1.

Internal Audit Title	Assurance Level
Azure Backup Application Audit	Full
Contract Management – Street Lighting PFI	Full
Debtors (Accounts Receivable)	Substantial
Debt Recovery In-house	Substantial
Enforcement Agents	Substantial
Staff Code of Conduct	Substantial
IT Policies Review	Substantial
Microsoft Direct Access Operating System	Substantial
Peoples ICT Application	Substantial
Staff Debt	Limited
Parks Health and Safety	Limited
Age Assessment Judicial Reviews	Limited
SEND	Limited
Fairfield Halls Delivery (BXB Management)	No
Enforcement Agents - Procurement	No
School Audits	Assurance Level
Forestdale Primary School	Substantial
Greenvale Primary School	Substantial
Winterbourne Nursery and Infant School	Substantial

Internal Audit Title	Assurance Level
Tunstall Nursery	Substantial
Archbishop Tenison's CE High School	Limited
Thornton Health Nursery	Limited

3. Continuous Auditing

3.1 In order to help maximise internal audit coverage and focus on key controls, the 2020/21 Internal Audit Plan replaced a number of audits with a single 'continuous audit'. This being a quarterly audit of key controls across those key audit areas being replaced, which is reported in a dashboard format. The outcome of the quarters 1 and 2 of this dashboard reporting has highlighted the following issues:

- Housing voids were not being properly monitored, with housing void reports not been prepared or shared monthly.
- Reconciliation of the Housing Repairs system to MyResources were not being conducted monthly, with reconciliations for August to September 2020 not being completed.
- Reconciliations of the Payroll system to MyResources for April to September 2020 were not evidenced as checked. These were subsequently checked in January 2021.
- Quarterly debt write offs had not been conducted for parking enforcement or accounts receivable.

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

4.1 During 2020/21 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 2015/16, 2016/17, 2017/18, 2018/19 and 2019/20.

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)				
		2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of priority one actions implemented at the time of the follow up audit	90%	100%	98%	100%	92%	91%
Percentage of all actions implemented at the time of the follow up audit	80%	94%	93%	91%	87%	90%

4.3 The results of those for 2016/17, 2017/18, 2018/19 and 2019/20 audits that have been followed up are included in Appendixes 2, 3, 4 and 5 respectively.

4.4 Appendix 2 shows the incomplete 2016/17 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 93% of the total recommendations were found to have been implemented and 98% of the priority 1 recommendations which have been followed up have been implemented. The outstanding priority 1 recommendation is detailed below:

Audit Title	Assurance Level	Priority 1 recommendations
Contract Monitoring and management – Streets Division	Limited	<p>Priority 1 recommendation was that staff should endeavour to locate the original full definitive signed contract with City Suburban Tree Surgeons. Where the agreement cannot be located, consideration should be given to requesting this from the contractor.</p> <p><u>Response September 2020:</u></p> <p>An initial response was provided detailing that the City Suburban Tree Surgeons contract could not be located. A formal contract is currently being procured through an extension document, which is with Procurement awaiting Cabinet and sign off.</p>

4.5 Appendix 3 shows the incomplete 2017/18 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 91% 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 4 shows the 2018/19 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 87% of the total recommendations/issues were found to have been implemented and 92% 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
Payments Against Orders	Limited	<p>A priority 1 issue was identified as means tests were not on file for six out of the sample of 10 adoption allowances tested.</p> <p><u>Response provided October 2020:</u></p> <p>The completion, monitoring and compliance remains poor and needs checking on all cases by the CPH on completing the financial assessments and raise any issues with the Head of Service.</p>

Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
SEN to include Ombudsman upheld complaints	Limited	<p>A priority 1 issue was identified as, during the last academic year, the percentage of Education and Health Care Plans (EHCPs) completed within the statutory 20-week period was 78%.</p> <p><u>Response provided December 2019:</u></p> <p>From January 2019 to October 2019 the percentage of plans that met the 20-week deadline was 75% (191 out of 256 were within timescales)</p> <p>Coordinators continue to monitor the 16-week timescale for issuing the draft EHC Plan but as yet we do not have a formal report to show it (we were waiting for the new database).</p>
Asbestos Management	Limited	<p>A priority 1 issue was identified as there are 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><u>Response November 2020:</u></p> <p>The provision of staff training has been delayed due to the Covid-19 pandemic and staff working from home.</p> <p>We are investigating the possibility of carrying out asbestos awareness training virtually whilst taking account of the financial situation at LBC.</p>

4.7 Appendix 5 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 91% 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
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><u>Response provided December: 2020:</u></p> <p>Again 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><u>Response provided February 2021:</u></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><u>Response provided February 2021:</u></p> <p>Waiting lists remain high due to increase in demand, Covid 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 permanent and for locums while permanent recruitment is completed. This will help with reduction on waiting lists.</p>
Wheelchair Service – Community	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</p>

Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
Equipment Service		<p>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>Response provided February 2021:</u></p> <p>CES have been working with the Treasury section for a new payment solution. This is all set up and just awaiting Treasury section to update the permissions on Bankline, so that final testing can be conducted and the system can go live.</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>

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

Internal Audit Title	Assurance Level & Number of Issues	Summary of Key Issues Raised
Azure Backup Application Audit	Full Assurance	No priority 1 issues raised.
Contract Management – Street Lighting PFI	Full Assurance	No priority 1 issues raised.
Debtors (Accounts Receivable)	Substantial Assurance (Four priority 2 and 6 priority 3 issues)	No priority 1 issues raised.
Debt Recovery – In House	Substantial Assurance (One priority 2 issue)	No priority 1 issues raised.
Enforcement Agents	Substantial Assurance (Two priority 2 and 1 priority 3 issue)	No priority 1 issues raised
Staff Code of Conduct	Substantial Assurance (Four Priority 2 and 1 priority 3 issue)	No priority 1 issues raised
IT Policies Review	Substantial Assurance (Two priority 2 and 3 priority 3 issues)	No priority 1 issues raised
Microsoft Direct Access Operating System	Substantial Assurance (One priority 2 and 3 priority 3 issues)	No priority 1 issues raised
Peoples ICT Application	Substantial Assurance (Six priority 2 and 1 priority 3 issue)	No priority 1 issues raised
Staff Debt	Limited (One priority 1, six priority 2 and one priority 3)	A priority 1 issue was raised as it was identified that no recovery actions had been made for 37 (out of the 70) salary overpayments despite these being over a year old. The total outstanding balance of salary overpayments was £180,038.48.
Parks Health and Safety	Limited Assurance (Three Priority 1, four Priority 2 and a Priority 3 issue)	Priority 1 issues were identified that: <ul style="list-style-type: none"> • A Parks Strategy was not in place. • Weekly reports of playground visual inspections were missing in a number of instances. • Fire risk assessments for most of the parks and greenspaces (where applicable) required review and, where appropriate, update.
Age Assessment Judicial Reviews	Limited Assurance (Two priority 1, four priority 2 issues)	Priority 1 issues: <ul style="list-style-type: none"> • The 2018/19 recharge for 50% of the legal costs incurred for age assessment judicial reviews to the UK Border Agency was incorrect. • There was a lack of monitoring and reporting of appropriate statistics on the outcomes or costs of age assessment judicial review cases.
SEND	Limited Assurance (Two priority 1 issues)	A priority 1 issue was raised as the spreadsheet used to record Education Health Care (EHC) needs assessment requests and whether the six week timescale to inform parents was being met (as set in the Council's SEN Code of Practice), did not detail that the parents had been informed in 333 cases (despite six weeks having elapsed since the EHC request). In another 29 instances

Internal Audit Title	Assurance Level & Number of Issues	Summary of Key Issues Raised
		(where there was a record of the parents being informed) the parents were informed late. Another 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.
Fairfield Hall Delivery (BxB Management)	No Assurance (Three Priority 1 issues)	Priority 1 issues identified that: <ul style="list-style-type: none"> 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. The conditional sale of the Fairfield Car Park agreement was still in draft at the time of the substantive internal audit fieldwork in February 2020. The Executive Director Place, a director of BXB, was the chair of the Fairfield Board meetings which is a conflict of interests.
Enforcement Agents - Procurement	No Assurance (Four priority 1, two priority 2 and one priority 3 issue)	Priority 1 issues identified that: <ul style="list-style-type: none"> The published Contract Notice was open for 27 days only and not 30 as required by The Public Contracts Regulations 2015. As well as incomplete scoring initially, the spreadsheet used for both 'Corporate Services' and 'Parking Services' scoring were not locked down on non-input cells to help protect the integrity of the scoresheet. This resulted in a number of irregularities. An individual scoresheet and the record of moderation were missing for the tender evaluation of January 2018. 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. A number of formal agreements extending the arrangements with the service providers could not be provided.
School Audits		
Forestdale	Substantial Assurance (Six priority 2 and five primary 3 recommendations)	No priority 1 recommendations
Greenvale Primary School	Substantial Assurance (Six priority 2 and four primary 3 recommendations)	No priority 1 recommendations
Winterbourne Nursery and Infant School	Substantial Assurance (Two priority 2 and three primary 3 recommendations)	No priority 1 recommendations
Tunstall Nursey School	Substantial Assurance (One priority 2 and two primary 3 recommendations)	No priority 1 recommendations
Archbishop Tenison's CE High School	Limited Assurance (One priority 1, seven priority 2 and 3 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.
Thornton Heath Nursery School	Limited Assurance (Two Priority 1, ten Priority 2 and two	Priority 1 issues identified that:

Internal Audit Title	Assurance Level & Number of Issues	Summary of Key Issues Raised
	Priority 3 recommendations)	<ul style="list-style-type: none"> The Governing body did not hold the minimum required three meetings during the 2019/20 school year. None of the sampled 13 transactions had been evidenced as approved for payment. <p>The responses received from the School gave no assurance that the issues identified would be addressed.</p>

Appendix 2 - Follow-up of 2016/17 audits (Incomplete follow ups only)

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
Non School Internal Audits						
2016/17	Contract Monitoring and Management - Streets Division	Place	Limited (2 nd follow up in progress)	6	4	67%
				One priority 1 recommendation not implemented		
Recommendations and implementation from internal audits that have had responses				421	392	93%
Priority 1 Recommendations from internal audits that have had responses				45	44	98%

Appendix 3 - Follow-up of 2017-18 audits (incomplete follow up only)

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
Non School Internal Audits						
2017-18	Gifts and Hospitality	Resources	Substantial (5 th follow up in progress)	4	3	75%
2017/18	Admitted Bodies	Resources	Substantial (2 nd follow up in progress)	4	1	25%
2017/18	One Croydon Alliance Programme	HWA	Substantial (3 rd follow up in progress)	7	3	43%
Recommendations and implementation from internal audits that have had responses				424	387	91%
Priority 1 Recommendations from internal audits that have had responses				47	47	100%

Appendix 4 - Follow-up of 2018/19 audits

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
Non School Internal Audits						
2018/19	Voluntary Sector Commissioning Adult Social Care	Resources	No Assurance (No further follow up)	8	8	100%
2018/19	Housing Repairs	Place	Limited (No further follow up)	2	2	100%
2018/19	Pensions Administration	Resources	Limited (No further follow up)	5	4	80%
2018/19	Children and Families System Support Team (ContrOCC)	CFE	Limited (No further follow up)	13	11	85%
2018/19	Payments to In House Foster Carers	CFE	Limited (No further follow up)	4	4	100%
2018/19	Payments Against Orders	CFE	Limited (2 nd follow up in progress)	10	3	30%
					One priority 1 issue not yet resolved	
2018/19	SEN to include Ombudsman upheld complaints	CFE	Limited (3 rd follow up in progress)	5	2	40%
					One priority 1 issue not yet resolved	
2018/19	GDPR in Schools	CFE	Limited (No further follow up)	8	8	100%
2018/19	Health and Safety in Schools	CFE	Limited (No further follow up)	6	6	100%
2018/19	Air Quality Strategy, Implementation and Review	Place	Limited (2 nd follow up in progress)	8	3	37%
					One priority 1 issue not yet resolved	
2018/19	Allotments	Place	Limited (No further follow up)	5	4	80%
2018/19	Live Well – Active Lifestyle Team	Place	Limited (No further follow up)	7	7	100%
2018/19	No Recourse to Public Funds (NRPF)	HWA	Limited (No further follow up)	4	4	100%

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2018/19	Croylease (Landlord letting Scheme)	HWA	Limited (No further follow up)	8	8	100%
2018/19	Libraries Income Collection	Place	Limited (No further follow up)	5	5	100%
2018/19	Election Accounts and Claims	Resources	Limited (No further follow up)	7	6	86%
2018/19	Temporary Employment	Resources	Limited (4 th follow up in progress)	16	12	75%
2018/19	Asbestos Management (Beyond the Corporate Campus)	Place	Limited (3 rd follow up in progress)	12	9	75%
					One priority 1 issue not yet resolved	
2018/19	Education Monitoring Tracking for LAC	CFE	Limited (No further follow up)	11	11	100%
2018/19	PMI General Building Works Service	Place	Limited (No further follow up)	6	5	83%
2018/19	Parking Enforcement and Tickets	Place	Substantial (No further follow up)	5	5	100%
2018/19	School Deficits and Surpluses (Conversion to Academy)	CFE	Substantial (3 rd follow up in progress)	4	3	75%
2018/19	Highways Statutory Defence	Place	Substantial (No further follow up)	4	4	100%
2018/19	Discretionary Housing Payments	HWA	Substantial (No further follow up)	3	3	100%
2018/19	Leasehold Service Charges	Place	Substantial (No further follow up)	2	2	100%
2018/19	Public Events	Place	Substantial (No further follow up)	7	6	86%
2018/19	South London Work and Health Partnership(SLWHP)	Place	Substantial (No further follow up)	3	3	100%
2018/19	Parking CCTV	Place	Substantial (No further follow up)	1	1	100%
2018/19	Mortuary	Resources	Substantial	4	3	75%

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
			(4 th follow up in progress)			
2018/19	Growth Zone – High Level Review	Place	Substantial (No further follow up)	3	3	100%
2018/19	GDPR	Resources	Substantial (2nd follow up in progress)	2	0	0
2018/19	New Legal Services Model	Resources	Substantial (1 st follow up in progress)	7	4	57%
2018/19	Council Investment and Operational Properties – Income Maximisation	Resources	Substantial (3 rd follow up in progress)	4	2	50%
2018/19	Access to IT Server	Resources	Substantial (No further follow up)	3	3	100%
2018/19	Capita Event Management	Resources	Substantial (No further follow up)	3	3	100%
2018/19	Third party – Service Delivery	Resources	Substantial (No further follow up)	1	1	100%
2018/19	Cashiers (Cash Handling)	Resources	Full (No further follow up)	1	1	100%
Non-School Internal Audits Sub Total:						
Recommendations and implementation from internal audits that have had responses				207	169	82%
Non-School Internal Audits Sub Total:						
Priority 1 Recommendations from internal audits that have had responses				30	26	87%
School Internal Audits						
2018/19	Virgo Fidelis Convent School	CFE	No (No further follow up)	27	27	100%
2018/19	Coulsdon C of E Primary School	CFE	Limited (No further follow up)	8	7	88%
2018/19	The Mister Junior School	CFE	Limited (No further follow up)	11	9	82%
2018/19	Winterbourne Junior Girls School	CFE	Limited (No further follow up)	12	12	100%

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2018/19	Regina Coeli Catholic Primary School	CFE	Limited (No further follow up)	10	10	100%
2018/19	St Andrews C of E VA High School	CFE	Limited (No further follow up)	5	5	100%
2018/19	Thomas More Catholic School	CFE	Limited (No further follow up)	18	17	94%
2018/19	Christchurch C of E Primary School	CFE	Substantial (No further follow up)	10	10	100%
2018/19	Orchard Way Primary School	CFE	Substantial (No further follow up)	8	8	100%
2018/19	Park Hill Infant School	CFE	Substantial (No further follow up)	6	6	100%
2018/19	Ridgeway Primary School	CFE	Substantial (No further follow up)	7	6	86%
2018/19	The Hayes Primary School	CFE	Substantial (No further follow up)	7	7	100%
2018/19	St Mary's Catholic High School	CFE	Substantial (No further follow-up)	12	11	91%
2018/19	Bensham Manor School	CFE	Substantial (No further follow up)	9	8	89%
School Internal Audits Sub Total:				150	143	95%
Recommendations and implementation from internal audits that have had responses						
School Internal Audits Sub Total:				19	19	100%
Priority 1 Recommendations from internal audits that have had responses						
Recommendations and implementation from internal audits that have had responses				357	312	87%
Priority 1 Recommendations from internal audits that have had responses				49	45	92%

Appendix 5 - Follow-up of 2019/20 audits

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
Non School Internal Audits						
2019/20	Housing Rent (Reduced Scope)	Place	Limited (No further follow up)	3	3	100%
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 st follow up in progress No priority 1 issues)	5	-	-
2019/20	Lettings Allocations and Assessments	Place	Limited (3 rd follow up in progress)	3	1	33%
				One priority 1 issue not yet resolved		
2019/20	Placements in Private Housing Accommodation	Place	Limited (2 nd 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 (2 nd follow up in progress)	6	3	60%
				One priority 1 issue not yet resolved		
2019/20	Occupational Therapy	HWA	Limited (2 nd 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	5	4	80%

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
			(No further follow up)			
2019/20	Parks Health and Safety	Place	Limited (3 rd follow up in progress)	8	8	100%
2019/20	Wheelchair Service – Community Equipment Service	Resources	Limited (4 th follow up in progress)	3	2	67%
				One priority 1 issue not yet resolved		
2019/20	Fairfield Hall Delivery (BxB Management)	Place	Limited (1 st follow up in progress)	3	2	66%
				One priority 1 issue not yet resolved		
2019/20	Business Rates	Resources	Substantial (No further follow up)	1	1	100%
2019/20	Housing Benefit	Resources	Substantial (No further follow up)	2	2	100%
2019/20	Pensions	Resources	Substantial (3 rd follow up in progress)	2	1	50%
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 (1 st follow up in progress)	3	-	-
2019/20	Fire Safety (Housing Stock)	Place	Substantial (4 th 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%

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2019/20	Risk Management	Resources	Substantial (No further follow up)	4	4	100%
2019/20	Uniform IT Application	Resources	Substantial (3 rd follow up in progress)	4	2	50%
2019/20	Northgate iWorld Application	Resources	Substantial (No further follow up)	1	1	100%
Non-School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses				109	93	85%
Non-School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses				25	20	80%
School Internal Audits						
2019/20	Winterbourne Nursery and Infant School		No (No further follow up)	22	22	100%
2019/20	Beulah Junior School		Limited (No further follow up)	14	13	93%
2019/20	Kenley Primary School		Limited (No further follow up)	11	10	91%
2019/20	Margaret Roper Catholic Primary School		Limited (No further follow up)	11	10	91%
2019/20	Minster Infant School		Limited (No further follow up)	16	13	81%
2019/20	Norbury Manor Primary School		Limited (No further follow up)	13	13	100%
2019/20	St Joseph's Federation		Limited (No further follow up)	14	13	93%
2019/20	Virgo Fidelis Convent Senior School		Limited (No further follow up)	19	19	100%
2019/20	Crosfield Nursery and Selhurst Early Years		Substantial (No further follow up)	8	7	87%
2019/20	All Saints C of E Primary School		Substantial (No further follow up)	12	12	100%
2019/20	Elmwood Infant School		Substantial	6	6	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
			(No further follow up)			
2019/20	Heavers Farm School		Substantial (No further follow up)	13	13	100%
School Internal Audits Sub Total:						
Recommendations and implementation from internal audits that have had responses				159	149	94%
School Internal Audits Sub Total:						
Priority 1 Recommendations from internal audits that have had responses				31	31	100%
Recommendations and implementation from internal audits that have had responses				268	242	90%
Priority 1 Recommendations from internal audits that have had responses				56	51	91%

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.

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General Purposes & Audit Committee

Annual Report 2020/21

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Foreword

It is my pleasure to bring to Full Council this annual report of the General Purposes and Audit Committee for 2020/2021. The report highlights the important work of the committee over the last year and I would like to thank the officers and auditors for all their input and advice. A special thank you to Simon Maddocks who has been consistent in advising and supporting me through my new vision for GPAC.

During the course of the year the council's external auditor issued a Report In the Public Interest (RIPI) and the council's Section 151 Officer issued two successive S114 notices to ensure only essential spend. These reports have changed the focus for a number of areas that GPAC is responsible for. In addition, the COVID-19 pandemic is still very much present.

An action plan to address the recommendations raised in the RIPI was developed and GPAC had the opportunity to review this in great depth. A series of recommendations were made by the committee to enhance the action plan and these, along with recommendations from the Scrutiny and Overview committee, were accepted by Cabinet and have been incorporated into the plan. GPAC will receive updates on progress with implementation and will have the opportunity to question officers.

In addition, GPAC has reintroduced the practice of conducting in depth sessions on key areas of risk, with relevant senior officers and cabinet members presenting and answering questions. The first of these was at the February meeting. To properly handle its significantly expanded workload the committee has moved from a cycle of 4 meetings per year to at least 10, with further additional meetings being added where necessary to properly address key issues before it.

The meetings have a diverse agenda which always makes sure we have an interesting meeting that covers a vast range of issues and gives members some knowledge of most departments across the Council.

Finally, I would like thank the committee members for their knowledge of the agenda, relevant questions and support to myself and my Vice Chair Cllr Stephen Mann. I would like to thank Stephen for his support during the year.



Cllr Karen Jewitt - General Purposes & Audit Committee Chair

Introduction

1. The General Purposes & Audit Committee (the Committee) has a wide ranging brief that underpins the Council's governance processes by providing independent challenge and assurance of the adequacy of risk management, internal control including audit, anti-fraud and the financial reporting frameworks. It also deals with a limited number of matters not reserved to the Council or delegated to another Committee and related to a non-executive function. The Committee was formed in 2014, replacing the former Corporate Services Committee and the Audit Advisory Committee.
2. This report details the work of the Committee during 2020/21, outlining the progress in:
 - Internal Control;
 - Risk management;
 - Internal Audit;
 - Anti-fraud;
 - External Audit;
 - Financial reporting
3. Table 1 details the Committee Members during 2020/21. Members have a wide range of skills and bring both technical and professional experience to the role.

Table 1: Members of the General Purposes & Audit Committee 2020/21

Member	Role
Councillor Karen Jewitt	Chair
Councillor Stephen Mann	Vice-Chair
Councillor Jamie Audsley	Member
Councillor Jan Buttinger	Member
Councillor Mary Croos	Member
Councillor Steve Hollands	Member
Councillor Bernadette Khan	Member
Councillor Stuart Millson	Member
Councillor Tim Pollard	Member
Councillor Joy Prince	Member
Mr Muffaddal Kapasi	Non-Elected, non-voting Independent Member
Mr James Smith	Non-Elected, non-voting Independent Member

Reserve Members:

Councillors: Clive Fraser, Pat Clouder, Felicity Flynn, Nina Degrads, Patricia Hay-Justice, Jason Cummings, Ian Parker, Badsha Quadir and Simon Hoar

4. Independent non-voting Members play an important part in the deliberations of the committee and bring useful additional skills and external perspective. The committee would like to express its thanks to those people who have given of their time during the year to work alongside the elected Members.
5. This report details the work of the Committee in 2020/21.

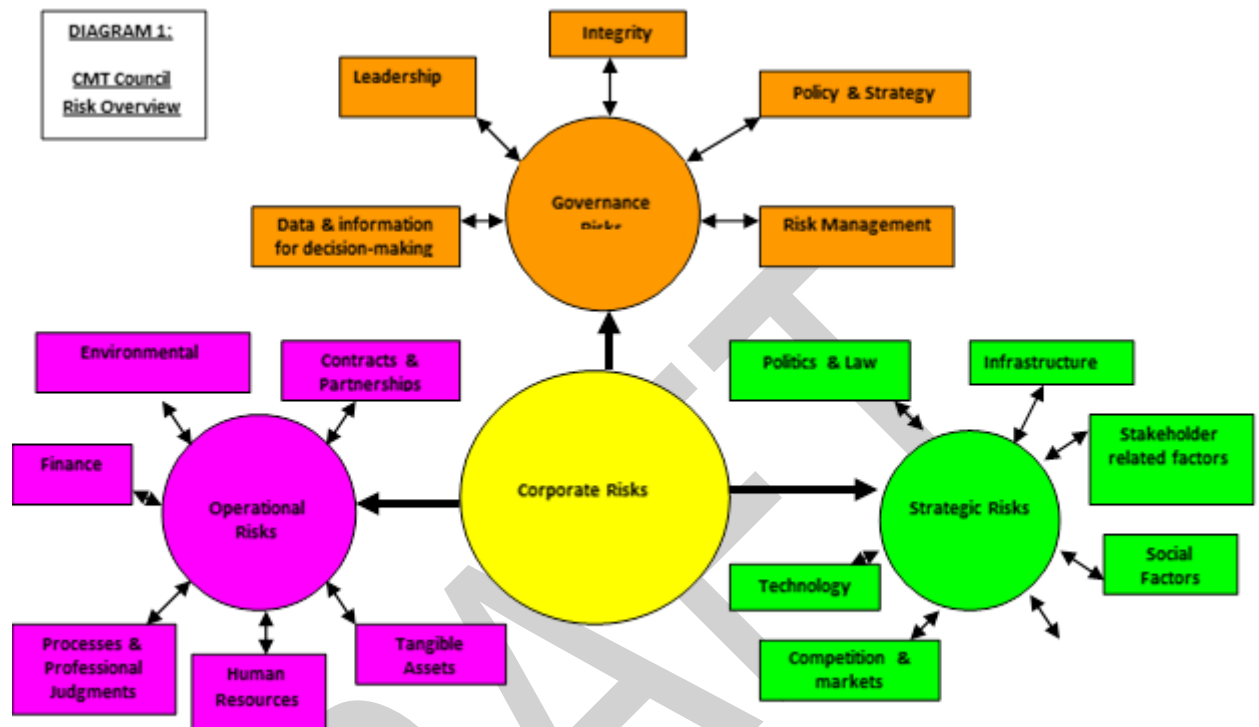
Internal Control

6. A pivotal role of the Committee is its work in developing the Council's internal control and assurance processes culminating in the Annual Governance Statement (AGS). The Accounts and Audit Regulations 2015 require the Council to review the effectiveness of its systems of internal control and publish the AGS each year alongside the financial statements. The information for the AGS is generated through the Council's Assurance framework (Appendix 1) including:
 - Risk management;
 - Internal Audit;
 - Anti-Fraud;
 - External Audit.
7. The Committee leads this review by receiving, at every meeting reports on these service areas.
8. To support its understanding of issues relating to internal control and to emphasise its commitment to a robust internal control environment, the committee invites officers to attend its meetings to give briefings in relation to strategic risks and what is being done to mitigate them. It also invites officers to give explanations where significant issues are identified through internal audits.

Risk Management

9. The Council has a formal risk management framework embedded that is modelled on best practice activities operated within all local authorities and other public sector organisations. This framework sets out the requirements and responsibilities for the management of risk for all employees and includes activities such as a quarterly review and reporting process for the Executive Leadership Team (ELT) and Department Leadership Teams (DLT) as well as to the Council's Governance Board. Risk reporting is delivered to every General Purposes & Audit Committee meeting either corporate rated 'red' risks or a 'deep dive' process on a specific identified 'high rated' risk. The

Council's key strategic risks are identified, recorded and reviewed continuously via the risk team to ensure integration between the risk management framework and the strategic, financial and performance management frameworks using the reporting framework detailed in Diagram 1.

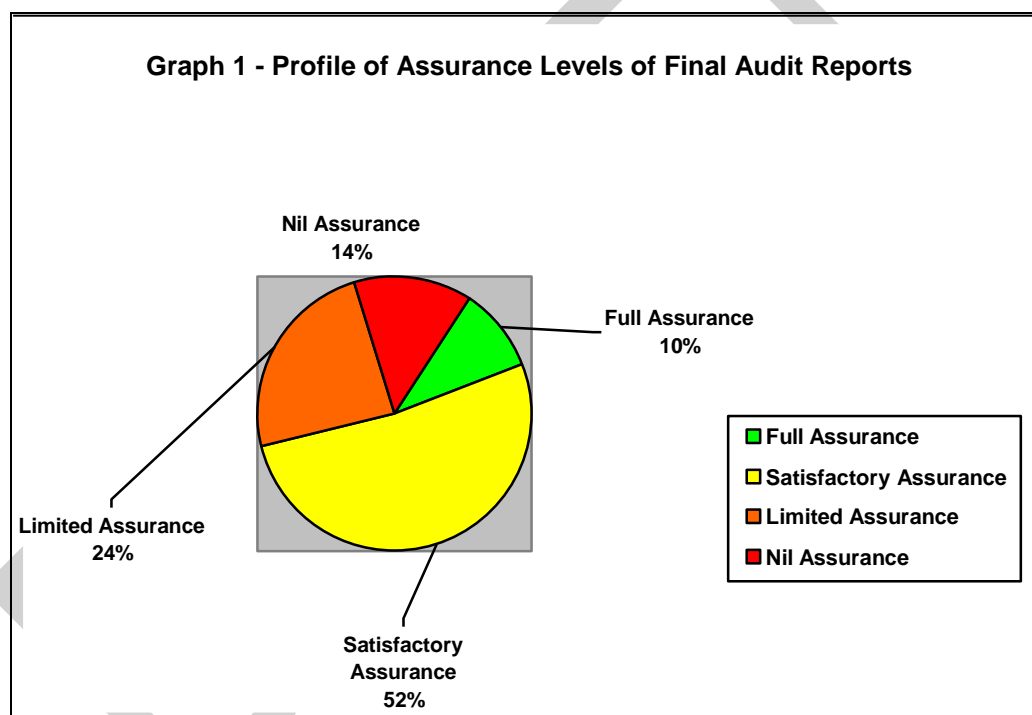


(Appendix 2 Definitions)

10. General Purposes & Audit Committee Members by reviewing the current 'high rated' risks and conducting 'in-depth' reviews of risks seek to scrutinise and receive assurance on the application of the risk management framework in the organisation.
11. The content of all the risks recorded on the corporate risk register is reviewed at least quarterly by a facilitated risk review and challenge session.
12. The Council's risk management framework is also promoted with project sponsors to help manage the challenges associated with the delivery of programmes and projects.
13. Internal Audit has view-only access to the corporate risk register to assist its risk-based audit approach, ensuring it is dealing with the most up to date information. Following audit reviews, the resultant report is mapped against the identified risk on the risk register. This approach gives a considered view of how the Council is managing the challenges it faces in delivering its objectives. Collaboration between the Internal Audit Team and the Risk Team is continuous and consistent.

Internal Audit

14. The work of the Council's internal audit service is delivered in partnership with Mazars Public Sector Internal Audit Limited. The current contract began on 1st April 2018 and will end on 31st March 2024 with the possibility of extending for a further two years.
15. The alignment of the audit programme to the Council risk management framework has focused internal audit on the key challenges the Council faces and therefore, the issues that if not managed, could lead to strategic objectives not being achieved.
16. Graph 1 shows that at the time of writing 61% of finalised audits have full or satisfactory assurance compared to 50% for the same period last year.



17. Although the results of formal audits completed so far are encouraging and much work has been done across the organisation since the Report in the Public Interest was issued by the External Auditor and last years Limited Assurance by Internal Audit, other indicators are suggesting that internal control still has some way to go. It is still possible that this year's internal audit assurance level may again be limited. These other indicators include, inter alia, the continuous auditing results and general support issues identified above, several organisation wide audit reports that are still draft but are currently unsatisfactory, and the several external reports published during the year identifying issues with internal control, governance and good practice.

18. A key measure of the Internal Audit service's effectiveness is the implementation of agreed actions to address the issues identified in audits. The target for implementation of actions is 80% for priority 2 and 3 actions and 90% for priority 1 actions. The stringent approach to the follow up process has continued with tight timescales for follow up work linked to the level of assurance.
19. Table 2 details the performance in this area in all follow up work completed since 1st April 2015.

Table 2: Implementation of Agreed Actions to date

	Target	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of priority one agreed actions implemented at the time of the follow up audit	90%	100%	98%	100%	92%	91%
Percentage of all agreed actions implemented at the time of the follow up audit	80%	94%	93%	91%	87%	90%

20. The main performance indicators for the Internal Audit team are detailed in Table 3.

Table 3: Internal Audit Performance 2020/21 year

Performance Objective	Annual Target	Actual Performance YTD	RAG
% of planned 2020/21 audit days delivered	100%	61%	R
% of 2020/21 planned draft reports issued	100%	25%	R
% of draft reports issued within 2 weeks of exit meeting with the Client	85%	88%	G
% of qualified staff engaged on audit	40%	35%	A

21. The planned internal audit has not been completed on time this year. The delays this year have 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 and lack of capacity within the organisation to catch-up as the year has progressed.

Anti-Fraud

22. The Council has continued with its plan to improve counter-fraud awareness across the Council and to strengthen working with our partners. This has included:

- Assisting neighbouring boroughs by providing expertise in the form of staff resources where they have gaps in expertise and generating income for Croydon Council.
 - Maintaining a learning and development programme, including face to face and e-learning opportunities.
 - Maintaining fraud reporting facilities, including a fraud hotline and dedicated email reporting facility.
23. As a result of this work, high and improved levels of awareness of fraud have been achieved generally across the organisation over recent years. This has been evidenced by the level of referrals to the Corporate Anti-Fraud Team which remains high, at 586 in 2020/21.

National Fraud Initiative (NFI)

24. The NFI is a biennial data matching exercise undertaken by the Cabinet Office. This is a national exercise and every Council in England and Wales participates, along with many other public sector bodies. The exercise has legal powers to undertake data-matching across the public sector to prevent fraud and corruption. The Council's participation in the 2020/21 has just commenced with focus on the high risk matches.

Corporate Anti-Fraud Team performance

25. Between 1st April 2020 and 28th February 2021 the Anti-Fraud team had identified in total over **£965k** with 115 successful outcomes.
26. Croydon continues to lead in setting the agenda relating to public sector anti-fraud activity. This is achieved nationally, regionally and locally by taking a leading role in a number of organisations, including:
- The National Anti-Fraud Network, with representation on the Executive Board
 - London Audit Group, with representation on the Executive Board
 - The Government Counter Fraud Profession, Croydon has jointly led the first cohort of local authority investigators converting from their existing professional standards into the new counter-fraud profession for the public sector.

External Audit

27. The Council's external audit service is currently provided by Grant Thornton (GT) under a contract let on Croydon's behalf by Public Sector Audit Appointments Ltd. GT works in partnership with the Council ensuring its governance processes are effective. They have been invited and attended all of the Committee meetings. At every meeting they prepare an external audit progress update for the Committee to review and discuss any issues arising.
28. It should be noted that both the production of accounts, and external audit timescales were delayed for 2019/20 both as a result of COVID-19

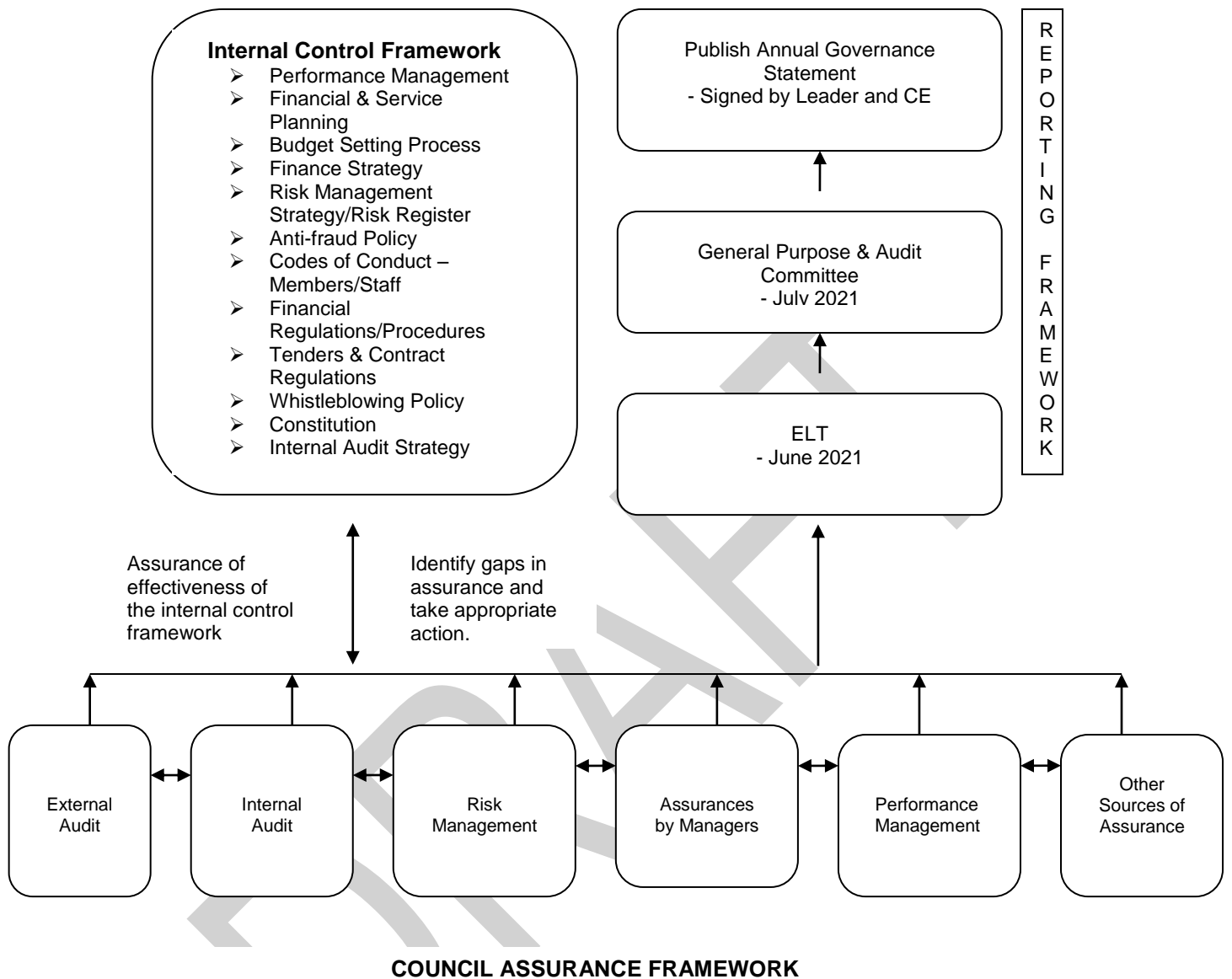
but also due to a number of detailed comments on the draft reports. There are a number of significant issues relating to the Council's activities in particular those relating to Brick by Brick which mean that the accounts were not completed by the Statutory deadline of 30th November 2020 and may take some time for this to be completed until all of these issues are resolved .

Financial Reporting

29. The 2020/21 accounts cannot be completed until the 2019/20 Audit is completed. Until the issues referred to in para 28 are resolved the timing for the audit of the 2020/21 accounts cannot be firmed up.

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Council Framework for the Annual Governance Statement



COUNCIL ASSURANCE FRAMEWORK

- Annual plan
 - Reports to those charged with governance
 - Scrutiny of report at General Purposes & Audit Committee
 - Audit opinion
 - Ad hoc projects
- Head of Internal Audit's opinion expressed in reports to General Purposes & Audit Committee
 - Operates under dedicated contract specifically setting out terms of reference
 - Annual plans, member reviewed
 - Plan aligned to Council's Risk-register
 - Fraud investigation
 - Compliance testing
 - Review of the effectiveness of Internal Audit
- On-going Risk management training for new staff
 - Embedded in project management and service planning
 - RM champion, General Purposes & Audit Committee and Council scrutiny of the RM processes and outcomes
 - RM software package cascaded throughout council to all risk owners
 - Strategic risks drive and shape the CLT agenda
 - Review of partnerships
- Directors assurance statements
 - Project specific reports to CLT and Members
- Embedded system
 - Operates throughout organisation
 - Internal & external reviews
 - Action orientated
 - local KPI's
 - Periodic progress reports
 - Performance Management function
 - Scrutiny Function
- Fraud reports and investigations
 - Reports by inspectors
 - Post implementation reviews of projects
 - Working party reports
 - Ombudsman reports
 - Contracts & Commissioning Board
 - Strategic Finance Forum
 - Corporate Programme Board
 - Fraud & Enforcement Forum

Categories of Risk

Categories of Risk		
	Source of Risk	Risk Examples
STRATEGIC (external drivers)	Infrastructure	Functioning of transport, communications and utilities infrastructure. The impact of storms, floods, pollution. Development in Borough renders infrastructure inadequate.
	Politics & Law	Effects of changes of government policy, UK or EC legislation, national or local political pressure or control, meeting the administration's manifesto commitments.
	Social Factors	Effects of changes in demographic, residential and social trends on ability to deliver objectives. Excess demands on services.
	Technology	Capacity to deal with obsolescence and innovation, product reliability, development and adaptability or ability to use technology to address changing demands.
	Competition & markets	Affecting the competitiveness (cost & quality) of the service &/or ability to deliver Best Value and general market effectiveness.
	Stakeholder-related factors	Satisfaction of: citizens, users, central and regional government and other stakeholders regarding meeting needs and expectations.
	Environmental	Environmental consequences of progressing strategic objectives (eg in terms of energy efficiency, pollution, recycling emissions etc.)
	OPERATIONAL (internal drivers)	Finance
Human Resources		Recruiting and retaining appropriate staff and applying and developing skills in accordance with corporate objectives, reliance on consultants, employment policies, health & safety, and absence rates. Migration of staff to contact centre.
Contracts & Partnerships		Failure of contractors to deliver services or products to the agreed cost & specification. Issue surrounding working with agencies. Procurement, contract and relationship management. Overall partnership arrangements, eg for pooled budgets or community safety. PFI, LSVT and regeneration. Quality issues.
Tangible Assets		Inadequate building/assets. Security of land and buildings, safety of plant and equipment, control of IT hardware. Issue of relocation.
Environmental		Relating to pollution, noise or the energy efficiency of ongoing operations.
Processes & professional judgements		Errors and omissions associated with professional judgement. Inspection compliance, project management, performance management, benefits system, environmental management system (EMS). Not achieving targets, failure to implement agendas and service failure. Also risks inherent in professional work.
GOVERNANCE	Integrity	Fraud and corruption, accountability and openness, legality of actions and transactions and limits of authority.
	Leadership	Reputation, publicity, authority, democratic renewal, trust and identity.
	Policy & strategy	Ensuring clarity of purpose and communication. Policy planning, community planning and monitoring and managing overall performance. Not seeking or following advice from the centre.
	Data & information for decision making	Data protection, data reliability and data processing. Information and communication quality. Effective use and interpretation of information. Control of data and information. E-government and service delivery. Inappropriate and/or lack of software. Storage issues.
	Risk Management	Incident reporting and investigation, risk measurement, evaluation and monitoring. Internal Control and Business Continuity Issues.

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