

General Purposes & Audit Committee Agenda



To: Dr Olu Olasode (Chair)
Councillor Karen Jewitt (Vice-Chair)
Councillors Chris Clark, Nina Degrads, Clive Fraser, Lynne Hale,
Ola Kolade, Stuart Millson, Ian Parker, Joy Prince and Paul Scott

Reserve Members: Margaret Bird, Pat Clouder, Sean Fitzsimons,
Bernadette Khan, Andrew Pelling, Kola Agboola, Jason Cummings,
Badsha Quadir and Jeet Bains

A meeting of the **General Purposes & Audit Committee** which you are hereby summoned to attend, will be held on **Wednesday, 16 February 2022** at **6.30 pm** in **Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX**

KATHERINE KERSWELL
Chief Executive and Head of Paid Service
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

SARAH KEEBLE
Democratic Services

www.croydon.gov.uk/meetings
Tuesday, 8 February 2022

Members of the public are welcome to attend this meeting.

If you would like to record the meeting, we ask that you read the guidance on the recording of public meetings [here](#) before attending

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If you require any assistance, please contact 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 Previous Meetings (Pages 5 - 18)

The Committee is asked to confirm as a true record the Minutes of the previous meeting held on 25 January 2022, and the Minutes of the meetings held on 26 April 2021 and 8 July 2021.

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. Appointment of External Auditors (Pages 19 - 24)

The Committee is asked to recommend to Full Council that the external auditor for the Council and for the pension fund for the audit years 2023/2024 to 2027/2028 should be appointed by Public Sector Audit Appointments Ltd (PSAA), which is a subsidiary of the Improvement and Development Agency (IDeA) which is wholly owned by the Local Government Association.

6. Internal Audit Report (Pages 25 - 54)

Internal Audit's work helps the Council to improve its value for money by

strengthening financial management and supporting risk management.

7. Care Cubed (Pages 55 - 62)

This report provides an update to the General Purposes and Audit Committee on the procurement, implementation and effectiveness of the CareCubed costing tool for working age adult and children's social care placements.

8. Work Programme (Pages 63 - 68)

The Work Programme is scheduled for consideration at every ordinary meeting of the General Purpose and Audit Committee.

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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General Purposes & Audit Committee

Meeting of held on Tuesday, 25 January 2022 at 6.30 pm in the Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Dr Olu Olasode (Chair);

Councillors Nina Degrads, Paul Scott, Chris Clark, Joy Prince, Stuart Millson, Clive Fraser, Ian Parker and Ola Kolade

Also

Present: Councillor Alisa Fleming, Councillor Karen Jewitt (Vice-Chair)

Apologies: Councillor Lynn Hale

PART A

1/21 **Minutes of the Previous Meeting**

The minutes of the previous meeting of the Committee held on 4 March 2021 were agreed as a true record and signed by the Chair.

2/21 **Disclosure of Interests**

There were none.

3/21 **Urgent Business (if any)**

There were no items of urgent business.

4/21 **Presentation on an area of Risk**

The Committee received a presentation regarding the Item related to the Whitgift Centre on the Councils Risk Register.

Malcom Davies, Head of Anti Fraud, Risk and Insurance introduced the presentation, which was led by Heather Cheesborough.

The following Items were raised by Members:

- a) Developer: Members raised the possibility of bringing in a new delivery partner. The Officer explained that the current partners were the owners of the land and would have to be in agreement of any such decision

b) Prospects for town centre: Following a question from a Member, the Officer noted that Council recognised the Whitgift Centre needed a comprehensive regeneration. The original plans for a large shopping centre were now not seen as the best way forward for Croydon, which was hoping to reflect the positive attributes of the town itself

c) Timescale: Members raised concerns over the timescale of change in the event that a new Planning Application was submitted for the Whitgift Centre. The Officer noted that if this happened, it would be anticipated for a 12-18 month wait for redevelopment works to come forward due to the size of works required. However, the Officer also noted that there had been recent success in moving tenants into empty units on the North End of the site – if this priority continued in filling the empty buildings then there may not be any need for the submission of a new Planning Application.

The Committee noted the presentation and thanked Officers.

5/21

Review of the MTFs January Cabinet Report

Richard Ennis, Interim Corporate Director of Resources gave a verbal update to the Committee regarding the MTFs report which had been presented to Cabinet the preceding evening highlighting that:

- The reports had been presented to Cabinet the evening before the meeting of the Committee
- The 2021/22 forecast outturn had broadly been quite consistent and was on target to budget overall and a large amount of attention had been given to delivering the general fund revenue budget this year
- £10 million had been put into the budget to fill reserves in 21/22 and this is still planned to action
- It was more 'optimal' for the Council to fund its capitalisation with receipts instead of borrowing money. It was important to work on reducing costs and borrowing and improving the state of the Council's own finances. This would shine a positive light on the Council as well as avoiding the 1% capitalisation premium and the reduced term of 20 years minimum revenue period
- It was everyone's responsibility to play their part in the inflationary rises and not simply pass costs onto the Council and our tax payers
- Overall, it was positive that the Council had taken positive steps in the right direction getting its finances under control as well as the continued provision of resident services.
- The Council continues to work on the closure of 2 sets of accounts for 2020/21 and 2021/22, in particular for the significant issue of Croydon Affordable Homes and Croydon Affordable Tenures, and additionally cash reconciliations.

6/21 **Revisions to Annual Governance Statement (AGS)**

The Committee received a report including the draft Annual Governance Statement for review and approval.

Heather Wills, Governance Improvement Advisor introduced the report.

The following matters were raised by Members:

- a) Consistency of report: A Member highlighted inconsistencies in relation to dates in the document. The Officer explained that the report had been developed and updated over time and updated. To aid ease of reading the Officer agreed to go review the report to ensure a consistent approach to the use of dates throughout
- b) Return to Committee: Following a question from a Member, the Officer noted that the next logical point for the report to return to Committee would be the first meeting of the Committee in the 2022/2023 Municipal Year. This would enable the Committee to review whether any actions due for completion by the end of March had been achieved.

Following consideration, it was resolved that the Committee:

1. Agreed to review and approve the revised draft Annual Governance Statement 2020/21 as set out in Appendix 1 of the report subject to minor amendments to ensure consistency
2. Agreed to note the updated Code of Governance (Appendix 2 of the report)
3. Agreed to receive a progress report on implementation of the Annual Governance Statement action plan soon after the completion of the 2021/22 financial year.

7/21 **Revisions to the Council's Constitution**

At this point in the proceedings and in line with the Council's Constitution, the Vice-Chair Councillor Karen Jewitt took the Chair for the following General Purposes Items.

The Committee received a report updating Councillors on progress in reviewing the Council's Constitution in preparation for the introduction of the Mayoral model of governance and sought approval for other appropriate changes to the Constitution.

Heather Wills, Governance Improvement Advisor introduced the report.

The following matters were raised by Members:

- a) Amendment to 2.1: Members asked that the presentation of information relating to Members and Wards be simplified. The Officer agreed to pick this comment up as part of the changes to bring forward in March
- b) Planning Matters: A Member asked about progress on changes drafted in respect to Planning matters in the Constitution some time ago and asked whether these could be looked in to. The Officer agreed to get an update on these matters.

Following consideration, it was resolved that the Committee:

- 1. Approved the changes to the Constitution as detailed in Section 2 and set out more fully in Appendix 1 of the report.

8/21 **Local Government & Social Care Ombudsman Report**

The Committee received a report detailing the recommendations and actions from the Local Government & Social Care Ombudsman (LGSCO) that would be carried out by the responsible service manager in the Adults Social Care Team.

Simon Robson, Interim Director Adult Social Care introduced the report.

The following matters were raised by Members:

- a) Training within the Council: Following a question from a Member, the Officer noted that the new Head of Service Team had brought in high standards and training had been extended to the wider Council including Housing colleagues.

Following consideration, the Committee resolved to:

- 1.1 Consider the Public Interest report dated 6 December 2021 and the recommendations made by the Local Government & Social Care Ombudsman (LGSCO) in relation to Croydon Council. The full list of recommendations were in Section 6 of the report
- 1.2 Agree the recommendations set out in the Public Interest report; and
- 1.3 Note the steps, progress and time line to implement the recommendations set out in Section 7 of the report.

9/21 **Council Meeting Dates 2022/23**

The Committee received a report proposing dates for Full Council to facilitate early production of the Council diary and to enable future planning of Council business for the 2022/23 Municipal Year.

Stephen Rowan, Head of Democratic Services and Scrutiny introduced the report.

The following matters were raised by Members:

- a) Liaising with Committee Chairs: Following a question from a Member, the Officer explained that there had been informal consultation with Committee clerks in the run up to putting the report together, but it was important to get the Full Council dates set as priority. It was usual for Committee Chairs to change around at Annual Council so it would not be surprising for a few of these dates to move following the meeting
- b) Arrangements for incoming Mayor: Members raised concerns regarding the date of the incoming Mayor's appointment and the proposed date of Annual Council. The Officer explained that there were constraints on the date for the meeting, noting that it must be held by no later than the end of May. The Officer explained that there was a Mayoral Readiness Draft Plan of Key Events highlighting the preparation the successful Mayoral candidate would have to arrange, therefore this would not come as a shock.

Following consideration, it was resolved that the Committee:

- 1.1 Agreed to approve, on behalf of the Council, the schedule of Full Council meeting dates for 2022/2023 as outlined in Option B of Appendix 2, the Full Council meeting dates as detailed in paragraph 3.11 of the report, which schedule the meetings on Wednesdays
- 1.2 Agreed to note the schedule of Cabinet meeting dates for 2023/23 as detailed in paragraphs 3.6 and 3.12 of the report; and
- 1.3 Agreed to note the proposed schedule of remaining meeting dates for 2022/23 as detailed in both appendices to the report.

10/21 **Work Programme**

At this point in the proceedings, the role of Chair returned to the Independent Chair, Dr. Olu Olasode.

Stephen Rowan, Democratic Services and Scrutiny introduced the report, highlighting the following amendments:

- The Croydon Renewal Update on Recovery would be presented to the April Committee meeting
- The Report in Public Interest Action Plan would be led by the Corporate Director of Resources, Richard Ennis.

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Following consideration, it was resolved that the Committee:

1. Agreed the Work Programme 2021/22 with the amendments agreed as set out in the above Minute.

The meeting ended at 8.56 pm

Signed:

Date:

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General Purposes & Audit Committee

Meeting of held on Monday, 26 April 2021 at 6.30 pm

MINUTES

Present: Councillor Karen Jewitt (Chair);

Councillors Jamie Audsley, Jan Buttinger, Mary Croos, Steve Hollands, Bernadette Khan, Stuart Millson, Tim Pollard and Joy Prince

PART A

76/21 **Minutes of the Previous Meeting**

The Minutes of the previous meeting held on 27 January 2021 were agreed as a true record and the Committee authorised the Chair to sign them.

77/21 **Disclosure of Interests**

No disclosures were made.

78/21 **Urgent Business (if any)**

There were no items of urgent business.

79/21 **Presentation on Domestic Abuse and Sexual Violence**

The Committee received a report detailing the risks around domestic violence.

Malcom Davies, Head of Risk and Insurance introduced the item. Alison Kennedy, Local Authority Strategic Lead for Domestic Abuse and Sexual Violence, delivered the presentation.

The following matters were raised by the Committee:

- a) Number of reported cases: Members noted a high number of reported cases. The Officer noted that it was encouraging to see an increase, as this suggests positive outreach among the community and any referrals.
- b) Funding sources: Following a question from a Member, the Officer confirmed that local authority funding delivered the services which they had

commissioned; whereas FJC services fund training and consultation as well as the service itself

c) Cross-functional approach: Members highlighted the current approach which included involvement from staff from a number of different service areas. The Officer noted that complex problems benefited from having a range of expertise to assist.

The Committee gave its thanks to the Alison and her team for all of the work completed and ongoing, with a request that it be Minuted.

80/21 **Implementation of the Finance Review Phase 1 Report**

The Committee received a report detailing the implementation of Phase 1 of the Council's Finance Review.

Ian O'Donnell, Finance Consultant, and Chris Buss, Director of Finance and Risk introduced the report.

The following matters were raised by Members:

a) Red/Amber/Green (RAG) Column: Following a question from a Member, the Officer explained that the items listed with no RAG rating were awaiting commencement of works, and therefore the responsible officer had not yet awarded its rating

b) Abbreviations: Following a question from a Member, the Officer explained the following abbreviations. SME: Subject Matter Expert; BI: Business Intelligence

c) Budget setting process: The Officer noted that in the run up of 2021/2022 there was a large degree of change, changing the way executive members met and disclosed budget opportunities and options. The Priority 1 items were completed to a very tight deadline, therefore some of the work could be improved upon

d) Percentages in Appendix 1: Following a query from a Member, the Officer made an amendment to the Appendix to include the previously reported percentage in brackets below so the reader can see what figures have moved.

Following consideration, it was resolved that the Committee:

1. Agreed to note and comment upon the progress in implementing the recommendations of Phase 1 of the Croydon Finance Review.

81/21 **Internal Audit Update Report**

The Committee received a report noting the work completed by the Internal Audit up to February 2021.

Simon Maddocks, Head of Internal Audit introduced the report.

The following matters were raised by Members:

-
- a) Budget: Following a question from a Member, the Officer explained that effectively the Council did less and paid less in 2021, and was expected to do more and pay more in 2022, suggesting that budget accrued from the previous year would cover the full year plan
 - b) Fairfield Halls: Following a question from a Member, the Officer noted that the External Auditor had written to the Council at the start of the month with detailed questions regarding the structure of Fairfield Halls' arrangements. The Council was in the process of responding to these questions.

Following consideration, it was resolved that the Committee:

- 1. Agreed to note the Internal Audit Report to February 2021 (Appendix 1).

82/21 **General Purposes and Audit Committee Draft Annual Report of 2020-2021**

The Committee received the draft report noting the work completed by the Committee 2020-2021.

Simon Maddocks, Head of Internal Audit introduced the report.

The Committee noted the draft report.

The meeting ended at 9.18 pm

Signed:

Date:

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General Purposes & Audit Committee

Meeting of held on Thursday, 8 July 2021 at 6.30 pm

MINUTES

Present: Councillor Karen Jewitt (Chair);
Councillor Stephen Mann (Vice-Chair);
Councillors Nina Degrads, Paul Scott, Chris Clark, Joy Prince, Stuart Millson,
Tim Pollard, Jan Buttinger and Steve Hollands

PART A

1/21 **Minutes of the Previous Meeting**

Due to late distribution, it was agreed that the minutes of the meeting of the Committee held on 10 June 2021 be deferred to the next meeting.

2/21 **Disclosure of Interests**

No disclosures of interest were made.

3/21 **Urgent Business (if any)**

There were no items of urgent business.

4/21 **Head of Internal Audit Report**

The Committee received a report detailing the findings of the Head of Internal Audit's Annual Report.

Simon Maddocks, Head of Internal Audit, introduced the report.
Following consideration, it was resolved that the Committee:

1. Agreed to note the Head of Internal Audit Report 2020/21 and the overall Limited level of assurance of the Council's systems of internal control.

5/21 **The Redmond Review of Local Audit**

The Committee received a report detailing the findings of the Redmond Review.

Simon Maddocks, Head of Internal Audit, introduced the report.

The following matters were raised by the Committee:

- a) Future of service: It was noted that the Committee had made positive change with regards to how it approached Governance issues
- b) Further progress: Following a question from a Member, the Officer confirmed that the National Audit Office had been asked to look at codes they had sent. The findings of these would be incorporated in the 2021 Audit. It was noted that consistent conversations were being had to ensure ongoing progress.

Following consideration, it was resolved that the Committee:

1. Agreed to note the outcomes of the Redmond review.

6/21 **Brick by Brick Report**

The Committee received a verbal introduction from a representative of the Council's Internal Auditor, Grant Thornton, highlighting that the Committee had asked for the audit findings report from the external auditor of Brick by Brick and this was not Grant Thornton and therefore this was not for Grant Thornton to provide.

7/21 **Audit Findings Report**

The Committee received a verbal update from a representative of the Council's Internal Auditor Grant Thornton, highlighting that:

- The Audit Team had recently recommenced work with the Finance Team
- It was predicted that the Audit Findings report could be drafted once numbers had been ascertained, potentially towards the end of the month;
- The draft report would go to Members once it was ready, and a meeting date would be secured with the Committee Chair.

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The meeting ended at 8.18 pm

Signed:

Date:

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| REPORT TO: | GENERAL PURPOSES & AUDIT COMMITTEE 16 February 2022 |
| AGENDA ITEM: | |
| SUBJECT: | Appointment of External Auditors |
| LEAD OFFICER: | Dave Phillips, Interim Head of Internal Audit |
| CABINET MEMBER: | Councillor Callton Young Cabinet Member for Resources and Financial Governance |
| WARDS: | ALL |
| CORPORATE PRIORITY/POLICY CONTEXT: | |
| <p>High quality independent audit is one of the cornerstones of public accountability. It gives assurance that taxpayers' money has been well managed and properly expended. It helps to inspire trust and confidence in the organisations and people responsible for managing public money.</p> | |
| FINANCIAL IMPACT | |
| <p>The External Audit plan of work in relation to the 2020/21 year is currently estimated to cost £149,272 and appropriate provision has been made within the budget for 2021/22.</p> | |

1. RECOMMENDATIONS

- 1.1 The Committee is asked to recommend to Full Council that the external auditor for the Council and for the pension fund for the audit years 2023/2024 to 2027/2028 should be appointed by Public Sector Audit Appointments Ltd (PSAA), which is a subsidiary of the Improvement and Development Agency (IDeA) which is wholly owned by the Local Government Association.

2. EXECUTIVE SUMMARY

- 2.1 Under the Local Audit and Accountability Act 2014, the Audit Commission, which had previously managed the appointment of external auditors for local government bodies and health trusts, was abolished and new responsibilities to manage their own appointment of local auditors given to those bodies. The Act also provided for the appointment by the secretary of state of a 'sector led body' to be an appointing person. This body would provide the option of a managed appointment process for those who wished to select it. The Public Sector Audit Appointments (PSAA) is approved by the DCLG to be a sector led body for principal authorities – councils, police and fire bodies.
- 2.2 The decision for the Council to appoint its own external auditors itself or to join the sector led approach must be made by Full Council and cannot be delegated.

3. DETAIL

- 3.1 Prior to its final abolition in March 2015, external auditors for local authorities and NHS trusts were appointed by the Audit Commission. The auditor appointed for Croydon Council and for its pension fund at this time was Grant Thornton and they remained as the external auditors, with these contracts being novated from the Audit Commission to PSAA on 1 April 2015. The contracts were due to expire following conclusion of the audits of 2016/17 accounts, but were extended for a period of one year to allow the audits of principal local government bodies to include the audit of 2017/18 accounts.
- 3.2 On 17 October 2016, Full Council resolved that, '*that the external auditor for the Council and for the pension fund should be appointed by Public Sector Audit Appointments Ltd (PSAA), which is a subsidiary of the Improvement and Development Agency (IDeA) which is wholly owned by the Local Government Association.*'
- 3.3 The PSAA subsequently appointed Grant Thornton as auditor for Croydon Council and for its pension fund for the duration of a five-year appointing period. This current appointing period covers the audits of the accounts for 2018/19 to 2022/23. The fee scales for each year are published by the PSAA on its website (<https://www.psaa.co.uk/appointing-auditors-and-fees/list-of-auditor-appointments-and-scale-fees/>) and these are £133,102 and £16,170 for the London Borough of Croydon 2020/21 general fund and pension fund audits respectively.
- 3.3 The appointment of the next external auditor for the Council and for the pension fund must be completed by 31st December 2022 and will be for up to 5 years. This can be achieved in two different ways. The choice of which route to take must be made by Full Council and cannot be delegated. The options, which are set out in more detail in sections 4 and 5 below, are:

- To establish an auditor panel to advise on appointment, with the final decision again being made by Full Council. Authorities can work collaboratively, sharing a panel if they choose.
- To follow a sector led approach by which an 'appointing person' operates a nationwide procurement and appoints on the Council's behalf. PSAA was specified as an appointing person by the Secretary of State in July 2016 for this purpose. If this choice was selected, the PSAA would need to be notified by 11 March 2022 of the Council's choice to opt in.

4. APPOINTMENT BY AN AUDITOR PANEL

- 4.1 An Auditor Panel must have a majority of independent, non-elected members and must be chaired by an independent non-elected member. The rules about independence are very specific and must comply with The Local Audit (Auditor Panel Independence) Regulations 2014. The panel can be an existing committee or sub-committee of an existing committee provided that the membership criteria are met.
- 4.2 In view of the likely value of a contract for external audit provision a full procurement would be required which the panel would oversee. Following this, the committee would make a recommendation to Full Council which is the body that would make the final decision.
- 4.3 Once the external auditor is appointed the panel continues to have roles in monitoring the auditor's performance, ensuring the auditor's independence and in the event of any relationship problems with members or officers.
- 4.4 This route would give the Council more control over the appointment of its external auditor, but would require the setting up of an auditor panel and a resource for a major procurement exercise. In the event of a breakdown of the relationship or poor auditor performance, the Council would be faced with a re-procurement exercise.

5. APPOINTMENT BY THE SECTOR LED ROUTE

- 5.1 In July 2016, PSAA was specified as a designated person for the purposes of making external audit appointments. They are the only body to be designated as such. As part of the transitional arrangements moving from the Audit Commission, PSAA has been managing the existing novated external audit contracts.
- 5.2 If Full Council decided to opt for this route, the Council would sign-up with PSAA to take part in the scheme. PSAA would then carry out the EU procurement on behalf of all councils and NHS trusts that have signed up with them and would then allocate external auditors, probably on a geographic basis as has happened in the past.

- 5.3 PSAA would then be the body that would support the external auditor's independence and would be involved if there were relationship problems. Monitoring the work of the external auditor would be undertaken by the General Purposes & Audit Committee as it currently is.
- 5.4 PSAA would be the contracting authority, so there would be no procurement by the Council. The fees paid for the audit service would include PSAA's costs. It is however a non-profit making organisation and if any surpluses were achieved these would be returned to the scheme members.
- 5.5 This route would be the most straightforward and least resource intensive. It would enable the achievement of more competitive prices because of the volume being procured. In the event of a breakdown of the relationship or poor auditor performance, PSAA would be able to replace the auditor with another that it has contracted with without the cost implications or interruption of service which might be experienced if the Council contracted with a single supplier via the route described in Section 4 above.

6. CONCLUSION

- 6.1 For the reasons set out above, officers recommend that the sector led approach is the most appropriate option for the Council to follow and that the recommendation should be made to Full Council to approve a sector led approach and opt in to appointing person arrangements.

7. FINANCIAL CONSIDERATIONS

- 7.1 The External Audit plan of work in relation to the 2020/21 year is currently estimated to cost £149,272 and appropriate provision has been made within the budget for 2021/22.

(Approved by Interim Head of Corporate Finance, Finance)

8. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 8.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services that the Local Audit and Accountability Act 2014 ("the Act") places an obligation on the Council to have an external auditor in place. Section 7 read with Schedule 3 of the Local Audit and Accountability Act 2014 provide that where, as in Croydon, the authority is operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the authority under those arrangements and as such this is a function reserved to Full Council.
- 8.2 In addition, the Schedule to the Local Audit (Appointing Person) Regulations 2015, SI 2015/192 specifies that an authority that has opted in to appointing person arrangements, as is recommended in this report, does not require an auditor panel.

(Approved by Sandra Herbert Head of Litigation and Corporate Law for and on behalf of the Director of Legal Services and Deputy Monitoring Officer).

9. HUMAN RESOURCES IMPACT

9.1 There are no immediate human resources issues arising from this report for LBC employees or staff.

(Approved by: Gillian Bevan, Head of HR, Resources and Assistant Chief Executives)

10. EQUALITIES, ENVIRONMENTAL AND CRIME AND DISORDER REDUCTION IMPACTS

10.1 There are no impacts on the issues above identified as arising from this report.

CONTACT OFFICER: Dave Phillips, Interim Head of Internal Audit

BACKGROUND DOCUMENTS: None

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|---|---|
| REPORT TO: | GENERAL PURPOSES & AUDIT COMMITTEE 16 February 2022 |
| AGENDA ITEM: | |
| SUBJECT: | Internal Audit Update Report To 31 December 2021 |
| LEAD OFFICER: | Dave Phillips, Interim Head of Internal Audit |
| CABINET MEMBER: | Councillor Callton Young Cabinet Member for Resources and Financial Governance |
| WARDS: | ALL |
| CORPORATE PRIORITY/POLICY CONTEXT: | |
| <p>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.</p> | |
| FINANCIAL IMPACT | |
| <p>The Internal Audit contract for 2021/22 is a fixed price contract of £372k and appropriate provision has been made within the budget for 2021/22.</p> | |

1. RECOMMENDATIONS

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

EXECUTIVE SUMMARY

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

3. DETAIL

- 3.1 The Internal Audit report (Appendix 1) includes the following:
- a list of all audits completed so far in 2021/22, including audits relating to prior audit plans, but finalised after the start of the current year, and
 - lists of follow up audits completed and the percentage of priority one, and other audit recommendations implemented.
- 3.2 Internal Audit is responsible for conducting an independent appraisal of all the Council's activities, financial and otherwise. It provides a service to the whole Council, including Members and all levels of management. It is not an extension of, nor a substitute for, good management. The Internal Audit Service is responsible for giving assurance on all control arrangements to the Full Council through the General Purposes & Audit Committee and the Chief Financial Officer (also known as the Section 151 Officer). It also assists management by evaluating and reporting to them the effectiveness of the controls for which they are responsible.
- 3.3 Of the 35 Internal Audit reports finalised since 1 April 2021, 19 (54%) are limited or no assurance.

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 2017/18 to 2020/21 audits are shown Table 1.

Table 1: Implementation of Audit Recommendations

| | Target | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|---|--------|---------|---------|---------|---------|
| Implementation of priority one recommendations at follow-up | 90% | 100% | 94% | 84% | 58% |
| Implementation of all recommendations at follow-up | 80% | 94% | 92% | 86% | 69% |

5. PROGRESS AGAINST THE AUDIT PLAN

- 5.1 By 31 December 2021 **43%** (30% last year) of the 2021/22 planned audit days had been delivered and **18%** (8% last year) of the draft audit reports due for the year had been issued. As reported in previous internal audit update reports, delays in completing the 2020/21 audit plan have impacted on the delivery of the 2021/22 audit plan. Although good progress has been made in delivering the 2021/22 audit plan, it is unlikely the full plan will be delivered by

31 March 2022, such that delivery will continue into April and May 2022.

6. FINALISED INTERNAL AUDIT REPORTS

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

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

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

6.3

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| GLL Liesure Contract Management (Substantial Assurance) |
| No Priority 1 or 2 Issues |

6.4

| |
|---|
| Placement Deposits (Limited Assurance) |
| No Priority 1 Issues <ul style="list-style-type: none">• There was no policy in place regarding retainer payments, although we noted payments had only been made within Children's Services at the time of our review. |
| Priority 2 Issue <ul style="list-style-type: none">• Testing of a sample of ten retainer payments within Children's Services identified two payments which had been incorrectly recorded in the Liquidlogic case management system.• From our sample testing we also identified an instance in which a payment was made for a child that did not appear to have been referred to the Care Panel.• The Service does not monitor the use of retainer payments through performance reporting or performance indicators. |

6.5

| |
|---|
| Ordinary Residents (Substantial Assurance) |
| No Priority 1 Issues <ul style="list-style-type: none">• |
| Priority 2 Issue <ul style="list-style-type: none">• Details such as the Council's communication with other boroughs, correspondence between Advisors and legal team and decision of the |

Secretary of State for disputed cases were neither updated in LiquidLogic (Council's case management system) nor recorded elsewhere by the Council in two cases where the ordinary residents were placed within the Council and one case where the ordinary resident was placed outside the Council out of the five sample cases tested during the audit.

6.6

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|--|
| Blue Badges (Substantial Assurance) |
| No Priority 1 Issues |
| <p>Priority 2 Issue</p> <ul style="list-style-type: none"> • The Service's training schedule and matrix showed that on average team members were only confident on 68% of their tasks and that, for four of the tasks, only one member of staff (out of 6) felt confident. • Although 18 of the 58 completed appeals since 1 April 2020 resulted in overturned decisions, no formal lessons learned exercises were being conducted. Furthermore, the time taken to achieve appeal outcomes for 15 of the appeals was greater than 28 days, with the longest taking 74 days. • No qualitative performance measures were in place and monitored. |

6.7

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|---|
| Transforming Care (Full Assurance) |
| No Priority 1 or 2 Issues |

6.8

| |
|--|
| Telephony Procurement – Pre-tender Processes (Full Assurance) |
| No Priority 1 or 2 Issues |

7. CONSULTATION

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

8. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

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

- 8.2 In light of the recent financial challenges faced by the Council the finance function is engaging with Internal Audit to ensure the Council acts upon its recommendations to improve financial management and value for money.

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

9. LEGAL CONSIDERATIONS

- 9.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services that the Council should be taking 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 The Committee should also note the Council are 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.
- 9.4 When undertaking its Audit functions this Committee's role includes a responsibility:
- To seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.
 - To review (but not direct) internal audit's strategy, plan and monitor performance and make recommendations as appropriate to Cabinet and/or Full Council.
 - To review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- 9.5 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 published on 23 October 2020 and on 26 January 2022 two separate Reports in the Public Interest which identified governance weaknesses. Further, the Council accepted the findings of a rapid review carried out on behalf of the Department for Levelling Up Housing and Communities (DLUHC). 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 DLUHC on a quarterly basis.

9.6 This Internal Audit Update Report should be carefully considered. In particular there are a number of LIMITED or NO ASSURANCE level outcomes regarding the audits undertaken to assess the systems of internal control with some outstanding issues that have not been addressed on previous audits undertaken.

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

10. HUMAN RESOURCES IMPACT

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

(Approved by: Gillian Bevan, Head of HR, Resources and Assistant Chief Executives)

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: Dave Phillips, Interim Head of Internal Audit

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

London Borough of Croydon

Internal Audit Report

1st April 2021 to 31 December 2021

Confidentiality and Disclosure Clause

This report ("Report") was prepared by Mazars LLP at the request of London Borough of Croydon and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of London Borough of Croydon and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Please refer to the Statement of Responsibility in Appendix 6 of this report for further information about responsibilities, limitations and confidentiality.

1. Internal Audit Performance

- 1.1 As previously reported to General Purposes and Audit Committee, there has been significant disruption to the delivery of internal audit services as a result of the Covid-19 pandemic and government restrictions. These delays in completing the 2019/20 internal audit plan and commencing the 2020/21 internal audit plan both impacted on the delivery of the 2021/22 internal audit plan, with work in completing the 2020/21 audit plan still ongoing. Despite the pause in conducting internal audits, follow up work continued with good performance in this area.
- 1.2 The 2021/22 internal audit plan was approved by the General Purposes and Audit Committee on 4 March 2021 and work in delivering the internal audit plan is well underway.
- 1.3 Due to changes in government requirements, including the School's Financial Value Standard (SFVS), the standard audit test programme used for school audits was revised for 2021/22, with the revised programme being presented to the School's Forum in July 2021. This delayed the commencement of school audits, although the first set of school audits have now been completed.
- 1.4 The Council's staff reorganisation, the focus of Finance staff on budget setting and some staff being off with covid-19 delayed some audits and even with additional resource booked to help complete the 2021/22 plan, it is unlikely that this will be fully completed by financial year-end, although it should be substantially complete.
- 1.5 The table below details the performance for the 2021/22 internal audit plan against the Council's targets.

| Performance Objective | Annual Target | Year to Date Target | Year to Date Actual | Performance |
|--|---------------|---------------------|---------------------|-------------|
| % of planned 2021/22 plan days delivered | 100% | 70% | 43% | ▼ |
| Number of 2021/22 planned days delivered | 960 | 672 | 417 | ▼ |
| % of 2021/22 planned draft reports issued | 100% | 48% | 18% | ▼ |
| Number of 2021/22 planned draft reports issued | 71 | 34 | 13 | ▼ |
| % of draft reports issued within 2 weeks of exit meeting | 85% | 85% | 92% | ▲ |
| % of qualified staff engaged on audit | 40% | 40% | 41% | ▲ |

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 1 April to 31 December 2021. Details of the key issues arising from these reports are shown in Appendix 1.

| Internal Audit Title | Assurance Level | Planned Year | Previously Reported to GPAC √ / X |
|--|-----------------|--------------|--------------------------------------|
| Non-School Internal Audits | | | |
| Community Care Payments | Limited | 2019/20 | √ |
| Creditors (inc P2P) | Limited | 2019/20 | √ |
| Main Accounting System | Limited | 2019/20 | √ |
| Financial Assessments – Charging Policy | Limited | 2019/20 | √ |
| Freedom of Information and Subject Access Requests | Limited | 2019/20 | √ |
| Agency Staff – Tenure and Monitoring | Substantial | 2019/20 | √ |
| SLWP / Veolia | Substantial | 2019/20 | √ |
| GLL Leisure Contract Management | Substantial | 2019/20 | X |
| Staff Expenses – Compliance checks | No | 2020/21 | √ |
| Payments to Schools | Limited | 2020/21 | √ |
| Overtime Payments | Limited | 2020/21 | √ |
| Clinical Governance | Limited | 2020/21 | √ |

| Internal Audit Title | Assurance Level | Planned Year | Previously Reported to GPAC √ / X |
|--|-----------------|--------------|--------------------------------------|
| Disabled Facilities Grants | Limited | 2020/21 | √ |
| Public Health: Contracts Management (Sexual Health) | Limited | 2020/21 | √ |
| Temporary Accommodation: Standards in Private Sector | Limited | 2020/21 | √ |
| Placement Deposits | Limited | 2020/21 | X |
| Overtime Payments – Parking Services | Limited | 2020/21 | √ |
| SEN Transport - Safeguarding | Limited | 2020/21 | √ |
| New Supplier Set up | Limited | 2020/21 | √ |
| Cyber Security | Limited | 2020/21 | √ |
| Ordinary Residents | Substantial | 2020/21 | X |
| Blue Badges | Substantial | 2020/21 | X |
| Corporate Estate: Building Compliance | Substantial | 2020/21 | √ |
| CCTV Procurement | Full | 2020/21 | √ |
| Council Tax | Full | 2020/21 | √ |
| Transforming Care | Full | 2020/21 | X |
| Telephony Procurement | Full | 2020/21 | X |
| School Internal Audits | | | |
| Selsdon Primary School | Substantial | 2019/20 | √ |
| Thornton Heath Nursery School | Limited | 2020/21 | √ |
| Thomas More Catholic School | Limited | 2020/21 | √ |
| | | | |
| Purley Oaks Primary School | Substantial | 2020/21 | √ |
| Smitham Primary School | Substantial | 2020/21 | √ |
| St Giles | Substantial | 2020/21 | √ |
| St Nicholas | Substantial | 2020/21 | √ |
| Red Gates | Substantial | 2020/21 | √ |

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

- 3.1 During 2021/22 in response to the Council's follow-up requirements, Internal Audit has continued following-up the status of the implementation of agreed actions for audits carried out during 2017/18, 2018/19, 2019/20 and 2020/21.
- 3.2 Follow-up audits are undertaken to ensure that all the recommendations/issues raised have been successfully implemented/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 90% for priority 1 recommendations/issues and 80% for all priority 2 & 3 recommendations/issues.

| Performance Objective | Target | Performance (to date) | | | |
|---|--------|-----------------------|---------|---------|---------|
| | | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Percentage of priority one actions implemented at the time of the follow up audit | 90% | 100% | 94% | 84% | 58% |
| Percentage of all actions implemented at the time of the follow up audit | 80% | 94% | 92% | 86% | 69% |

- 3.3 In order to help progress long outstanding and significant agreed actions arising from internal audits, a series of 'audit focus' workshops have been set up by the Corporate Management Team (CMT). The first such meeting was held on 19 January 2022 and focussed on the 'Energy Recharges' and 'Cyber Security' audits. At the meeting the respective service leads for each audit presented their proposed actions to clear the outstanding audit issues with challenge from the CMT. The result was a clear action plan with clear timescales being agreed each audit, with will be monitored by the CMT. The next meeting on 23 February 2022 will focus on 'Creditors – Procure to Pay' and 'Supplier Set Up'.
- 3.4 The results of outstanding recommendations for 2017/18, 2018/19, 2019/20 and 2020/21 audits that have been followed up are included in Appendixes 2, 3, 4 and 5 respectively.
- 3.5 Appendix 2 shows the incomplete 2017/18 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 94% of the total recommendations/issues were found to have been implemented and 100% of the priority 1 recommendations/issues which have been followed up have been implemented.
- 3.6 Appendix 3 shows the incomplete 2018/19 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 92% of the total recommendations/issues were found to have been implemented and 94% 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 outstanding priority 1 recommendations/issues |
|---|-----------------|--|
| Energy Recharges | No | <p>A priority 1 issue was raised as no energy costs for 2017/18 had been invoiced and some were still outstanding for 2016/17 amounting to over £4m. In addition, no costs had yet been invoiced for 2018/19.</p> <p><u>CMT 'audit focus' workshop</u></p> <p>Additional resource has been approved to help reconcile the outstanding amounts due against payments received and to follow up / collect the differences. It is planned to have this resource engaged and the exercise completed within the next 16 weeks.</p> |
| Air Quality Strategy, Implementation and Review | Limited | <p>A priority 1 issue was identified as there was a lack of evidence that the Air Quality Action Plan actions were being regularly monitored.</p> <p><u>Response September 2021:</u></p> <p>Prior to COVID-19 we had quarterly steering group meetings and the action plan table was distributed prior to the meeting for quarterly updates. Due to lack of staff we were unable to continue with the meetings and also had to prioritise other work. The meetings have now been set up for 2021. One meeting has already been held and a pollution support officer is now attending to take minutes. The Director will also be sending out the action plan table to ensure other teams make their responses within a certain timescales. We will be investigating using MS Teams to make comments on the action plan table without having to go through the plan for comments.</p> |
| Asbestos Management | Limited | <p>A priority 1 issue was identified as there were some 7,762 housing assets, assets for which there was no identifier of whether asbestos was either identified, strongly presumed, presumed or was not found. Discussion established that this number included assets such as roads; however, examination of the listing noted that there were also general rent dwellings, service tenancies and garages included</p> <p><u>Response October 2021:</u></p> <p>No, there has been no work on the contract yet. I need to finalise some queries with our procurement team and the lawyers (Compliance Manager).</p> |

3.7 Appendix 4 shows the 2019/20 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 86% of the total recommendations/issues were found to have been implemented and 84% 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 outstanding priority 1 recommendations/issues |
|----------------------------|-----------------|---|
| Creditors – Procure to Pay | Limited | <p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> Examination of the documentation retained for a sample of 17 transactions identified that for five of these the order was raised either after delivery or after the invoice date. <p><u>Response provided July 2021:</u></p> <p>Report was agreed by ELT with a reset agreed for October 2021 and agreement as to future action to be taken for non-compliance.</p> <ul style="list-style-type: none"> Examination of the documentation retained for a sample of 17 transactions identified that for four of these the goods or services received check preceded actual delivery. <p><u>Response provided July 2021:</u></p> <p>As above</p> <ul style="list-style-type: none"> Examination of the documentation retained for a sample of 17 transactions identified that five of the invoices included client names (including children in care) thus potentially breaching the Data Protection Act 2018. <p><u>No response to follow up received</u></p> |

Internal Audit Report April 2021 to 31 December 2021

| Audit Title | Assurance Level | Summary of recommendations/issues arising in outstanding priority 1 recommendations/issues |
|--|-----------------|--|
| | | <ul style="list-style-type: none"> As at 28 September 2020 the Council had invoices totalling £25,757,492 on hold, of which £7,220,978 related to previous financial years (i.e. 2019/20 and prior) with oldest invoice on hold dating 8 May 2014. <p><u>No response to follow up received</u></p> |
| SEND | Limited | <p>A priority 1 issue was raised as 79 out of 302 (26%) EHC plans issued in 2019/20 were not completed and issued within the statutory 20 week period.</p> <p><u>Response provided November 2021:</u></p> <p>Full team now appointed and working to the deadlines. Plan writing agency retained until end of December 21 to add pace and support to delivery. Annual Review team in place enabling the assessment team to focus on new plans.</p> <p>Locality Support team also addressing new plans within their locality areas.</p> <p>Summary: all resources in place and making progress in this area. QA monitoring evidences progress in delivery.</p> <p><u>Audit comment</u></p> <p>Supporting documentation requested.</p> |
| Lettings Allocations and Assessments | Limited | <p>A priority 1 issue was raised as the application forms (on line and in hardcopy) in use were not compliant with the Data Protection Act 2018 or the General Data Protection Regulation.</p> <p><u>Response provided December: 2020:</u></p> <p>No handover or discussion. I will speak to digital and information services as well as interim operational manager to find out where we are with this and update with my findings and hopefully sign off.</p> |
| Occupational Therapy Further update received December 2021 – being reviewed | 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 November 2021:</u></p> <p>Work on the S75 agreement has started with the One Croydon Alliance.</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 November 2021:</u></p> <p>Recruitment currently underway to bring in locums as well as permanent staff using previously mentioned resources.</p> |
| Wheelchair Service – Community Equipment Service | Limited | <p>A priority 1 issue was raised as the follow up of the recommendations raised in the 2017 ad hoc report identified that the recommendation relating to the BACs files being open to amendment had still not been implemented, meaning that any of the BACs payments during the last 2 years may have been manipulated. As about £1m of payments is made per month, this is a significant issue.</p> <p><u>Updated response November 2021:</u></p> <p>The CES finance team have now had a response from CPIO, the partner for Sage, regarding setting up bulk payments through Sage. Bankline bulk payments are one of the e-payment solutions already established and available for use in Sage. CPIO have requested some further information from CES to be able to extract all the supplier details so they can be uploaded into Bankline. Due to the CES finance team being 40% down on resources, and with volumes increasing due to the preparation for winter pressures, there is currently no capacity to respond. Additional resource will start at the beginning of December, which should provide some capacity to revisit setting up and testing bulk payments mid-December. As previously advised, there is currently no audit risk as each payment is verified in Bankline to the supplier details in Sage before being authorised. Any changes to the BACS file would be detected by this check.</p> |
| Freedom of Information and Subject Access Requests | Limited | <p>A priority 1 issue was raised as FOI requests were not being responded to within the 20 working day statutory timeframe, with the percentage of FOI requests responded to with 20 days varying between 49% in November 2019 and 83% in December 2019.</p> <p><u>Response received October 2021:</u></p> <p>Following a number of changes within the organisation, the medium which facilitated this action and the report, Power BI, can no longer be maintained. As a result, the</p> |

| Audit Title | Assurance Level | Summary of recommendations/issues arising in outstanding priority 1 recommendations/issues |
|----------------------------------|-----------------|--|
| | | <p>Head of Service dashboard is not functional in the manner previously described and intended.</p> <p>However, in its place, to contribute to greater visibility and assist in improving compliance, weekly reports containing details of outstanding cases are sent to areas in receipt of a high volume of these requests, and are also provided to others as solicited.</p> <p>We are also exploring options with the Business Intelligence and Performance team to produce a report capable of providing the level of detail previously given, and with a similar ease of accessibility.</p> |
| Enforcement Agents - Procurement | No | <p>A priority 1 issue was raised as an individual scoresheet and the record of moderation are missing for the tender evaluation of January 2018.</p> <p>Contemporaneous records of the reasons and reasoning for the allocation of scores in moderation for both lots of the tender evaluations of August 2019 could not be provided. Attempts have also been made to recreate the reasons and reasoning at a later date</p> <p><u>Response May 2021:</u></p> <p>The live procurement trial was successfully completed, and now the implementation is being rolled out. The commissioning framework and procurement handbooks have not yet been reviewed. This is in our project pipeline for Q1/Q2 of 2021/22.</p> <p><u>Response December 2021:</u></p> <p>There is no further update at this stage. The remaining actions are scheduled for Q3 for this year, once there is sufficient available resource.</p> <p>Pending this, we are undertaking additional management action...</p> <p>A priority 1 issue was raised as a number of formal agreements extending the arrangements with the service providers could not be provided.</p> <p><u>Response May 2021:</u></p> <p>The commissioning framework and procurement handbooks have not yet been reviewed. This is in our project pipeline for Q1/Q2 of 2021/22.</p> <p>Pending this, we are undertaking additional management action.</p> <p><u>Response December 2021:</u></p> <p>As above</p> |

3.8 Appendix 5 shows the 2020/21 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 73% of the total recommendations/issues were found to have been implemented and 61% 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 outstanding recommendations/issues arising in priority 1 recommendations/issues |
|------------------------------------|-----------------|---|
| Staff Expenses – Compliance Checks | No | <p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> Compulsory Car User Forms were not located for 11 of the sample of 15 staff on the car allowance scheme tested. <p><u>Response October 2021:</u></p> <p>The plan to undertake a generic application update to all CCU authorised staff has now been agreed. A revised form, process and communications will be drafted by end December 2021. The audit, which will be managed by the HR consultancy team will then take place between January 2022 and March 2022.</p> <ul style="list-style-type: none"> Testing of a sample of 30 approved expense claims found that nine of these should not have been approved (seven where appropriate supporting documentation was not provided, one for a parking fine and one for membership) and that nine of these had been incorrectly categorised. <p><u>Response October 2021:</u></p> |

| Audit Title | Assurance Level | Summary of outstanding recommendations/issues arising in priority 1 recommendations/issues |
|---|-----------------|--|
| | | <p>A request has been submitted to the My resources support team to switch on the Expenses Auditor function within the system. The initial plan is that all expense claims over £50 will be routed to the Interim Assistant Chief Executive for approval.</p> <p><u>Audit comment</u></p> <p>The above request has been progressed and is now awaiting the Assistant Chief Executive to be trained and to turn on the audit function. A compliance reporting project has been agreed and needs to now be progressed. Notwithstanding the above, non-compliance is still an issue.</p> <ul style="list-style-type: none"> Analysis of a report of expenses claimed identified that 240 expense items were authorised outside of the 90 days eligibility timeframe as defined by Expenses Management Policy. Furthermore, the required director written approval was not available for 14 out the sample of 15 (out of a total of 105) expense items submitted more than 60 days (and less than 90 days) after the expense being incurred. <p><u>Response October 2021:</u></p> <p>A request has been submitted to the My resources support team to switch on the Expenses Auditor function within the system. The initial plan is that all expense claims over £50 will be routed to the Interim Assistant Chief Executive for approval.</p> <p><u>Audit comment</u></p> <p>As per previous issue.</p> |
| Clinical Governance | Limited | <p>A priority 1 issue was raised as there was no evidence of an overall clinical governance policy being in place for the Council and consequently the clinical governance framework and systems in place were unclear.</p> <p><u>Response November 2021:</u></p> <p>Initial outline of a policy developed with key principles and suggested governance process for escalation. Initial outline to be approved by Public Health Joint Commissioning Board scheduled for 08 November.</p> |
| Cyber Security | Limited | <p>A priority 1 issued was raised as the Council had not undertaken recent penetration testing across the network and infrastructures. Such testing is commonly undertaken by the Council's peers at least annually and more frequently if significant changes are proposed to the IT environment.</p> <p><u>CMT 'audit focus' workshop</u></p> <p>Although regular vulnerability scanning takes place, external vulnerability scanning needs to take place and will be picked up by the end of January 2022 with a full written response to follow. This will inform the penetration testing to be undertaken.</p> |
| Public Health Contracts Management – Sexual Health Services | Limited | <p>A priority 1 issue was raised as whilst Sexual Health services are being delivered in the borough, a signed electronic copy of the Section 75 Agreement with CHS to provide an integrated sexual health service was not held, although an electronic unsigned copy of the contract was provided. The contract also expired on 31 March 2021, following completion of the two year extension term and no evidence of a subsequent contract being in place was provided.</p> <p><u>Response November 2021</u></p> <ul style="list-style-type: none"> Contract has been identified by Deeds Office and arrangements to scan contract have been made. Commissioning has organised for contract to be scanned in accordance to colleagues being in the office with desk allocations. Complete Negotiations are continuing; this have taken slightly longer than expected due to the announcement from Central Government of an additional pay award to the NHS. The final funding flows positions are with the Section 151 officer to present to NHS. Complete. <p><u>Internal Audit Comment:</u></p> <p>Based on the above the process appears complete, but does not confirm whether a contract award report has been agreed.</p> |
| Temporary Accommodation: Standards in Private Sector | Limited | <p>Priority 1 issues were raised as</p> |

| Audit Title | Assurance Level | Summary of outstanding recommendations/issues arising in priority 1 recommendations/issues |
|----------------------------|-----------------|---|
| | | <ul style="list-style-type: none"> Electrical, gas and energy certificates were not located for some of the sample of Croybond properties and most of the sample of Croylease properties checked. <p><u>Response October 2021</u></p> <p>A new procedure for the collection and storage of electrical, gas and energy certificates is currently being worked on. Once ready the team will be advised of the procedure.</p> <p>Periodic checks undertaken by the Quality team will ensure that all documents are stored against the correct address.</p> <p>The procedure will be completed by November and the Quality checks will then commence. Any cases found without the correct documentation will be reported back to the team manager and Head of service.</p> <ul style="list-style-type: none"> 'Decent Homes Inspection' reports were not available for eight of the sample of 15 property records checked. <p><u>Response October 2021</u></p> <p>The revised property inspection report contains instructions on the storage of the document.</p> <p><u>Internal Audit comment:</u></p> <p>The above is acknowledged, but does not provide assurance that the remainder of the agreed actions have been implemented?</p> |
| SEN Transport Safeguarding | Limited | <p>A priority 1 issue was raised as examination of a sample of ten contracts found that seven had not been evidenced as signed or dated, two contracts were signed but had not been dated and one contract could not be located on SharePoint.</p> <p><u>Response November 2021</u></p> <p>There is contention around the amount of information which is being requested around this area – there was a meeting on 08/11/21 between Procurement and Legal to try and unblock the self-imposed reporting requirements which were written into the Award report, which are preventing the issuance of legal contracts to some of the providers.</p> <p>See inserted below the CCB document which is being worked on to try and resolve this situation. (Not included here.)</p> <p>There is a report going to CCB this Thursday (23/09/21) "Quarterly Supplier and Call Off Updates Post Round 3" which documents all of the awards to the DPS which have occurred since it was let in 2019.</p> <p>Due to the fact that this report had not been undertaken, legal could not issue the final contracts to the contractors as it had to be agreed at CCB.</p> <p>After this report has been submitted and agreed, the Council will be able to issue the contracts to those suppliers who were not appointed at the initial stages of the DPS (i.e. after Round 3 of the DPS), and the Service will upload to SharePoint when they are received back from the Contractors.</p> |

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

| Year | Internal Audit Title | Assurance Level & Number of Issues | Summary of Key Issues Raised |
|-----------------------------------|---|---|---|
| Non-School Internal Audits | | | |
| 2019/20 | Community Care Payments | Limited (Five priority 1, one priority 2 and two priority 3 issues) | <p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> Funding approval for nine of the sample of 16 nursing and residential clients and direct payment clients tested was after the placements had commenced. Commitment forms were raised more than seven days after the placements commenced for 12 of the sample of 18 nursing and residential clients and direct payment clients tested. Following authorisation of the commitment forms, delays in inputting the payment details onto SWIFT were identified for nine of the sample of 18 nursing and residential clients and direct payment clients. Testing of the ad hoc payments process, used for payments other than those on the regular SWIFT payment runs, found that: <ul style="list-style-type: none"> There was no escalation process if either of the normal approvers was not available; A list of the ad hoc payments processed was not held, and The ad hoc payments did not contain reference/s to the initial payment request that was late / went wrong. The payment files created by SWIFT, which contain the payee bank account details, were open to amendment. |
| 2019/20 | Creditors | Limited (Four priority 1, seven priority 2 and one priority 3 issue) | <p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> Examination of the documentation retained for a sample of 17 transactions identified that for five of these the order was raised either after delivery or after the invoice date. Examination of the documentation retained for a sample of 17 transactions identified that for four of these the goods or services received check preceded actual delivery. Examination of the documentation retained for a sample of 17 transactions identified that five of the invoices included client names (including children in care) thus potentially breaching the Data Protection Act 2018. As at 28 September 2020 the Council had invoices totalling £25,757,492 on hold, of which £7,220,978 related to previous financial years (i.e. 2019/20 and prior) with oldest invoice on hold dating 8 May 2014. |
| 2019/20 | Main Accounting System | Limited (One priority 1 and one priority 2 issues) | A priority 1 issue was raised as examination of the records held for a sample of 10 virements was unable to evidence approval for 6 of these, and approval for 3 was uncertain as the required 'Request For Virement Form' had not been used. |
| 2019/20 | Financial Assessments – Charging Policy | Limited (Two priority 1 and three priority 2 issue) | <p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> Five of the sample of ten financial assessments sampled had not been completed in a timely manner. Five of the sample of ten financial assessments sampled were only requested after care had commenced and three, although requested prior to care commencing, were only completed after the care had commenced. |
| 2019/20 | Freedom of Information (FOI) | Limited | A priority 1 issue was raised as FOI requests were not being responded to within the 20 working day statutory timeframe, with the |

| Year | Internal Audit Title | Assurance Level & Number of Issues | Summary of Key Issues Raised |
|---------|---|---|--|
| | and Subject Access Requests (SARs) | (One priority 1 issue and 2 priority 3 issues) | percentage of FOI requests responded to with 20 days varying between 49% in November 2019 and 83% in December 2019. |
| 2020/21 | Staff Expenses – Compliance checks | No (Four priority 1 and one priority 2 issue) | <p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> • Compulsory Car User Forms were not located for 11 of the sample of 15 staff on the car allowance scheme tested. • Testing of a sample of 30 approved expense claims found that nine of these should not have been approved (seven where appropriate supporting documentation was not provided, one for a parking fine and one for membership) and that nine of these had been incorrectly categorised. • Analysis of a report of expenses claimed identified 12 instances where overpayment had occurred as a result of duplicate expense claims. • Analysis of a report of expenses claimed identified that 240 expense items were authorised outside of the 90 days eligibility timeframe as defined by Expenses Management Policy. Furthermore, the required director written approval was not available for 14 out the sample of 15 (out of a total of 105) expense items submitted more than 60 days (and less than 90 days) after the expense being incurred. |
| 2020/21 | Payments to Schools | Limited (One priority 1, one priority 2 and three priority 3 issues) | A priority 1 issue was raised as, although statutory guidance issued by the Secretary of State requires that School deficits are cleared in 3 years and do not continue indefinitely, four (out of six) of the licensed deficits in 2020/21 were agreed for schools which did not plan for their deficits to be eliminated within 3 years as required. |
| 2020/21 | Overtime Payments | Limited | Limited Assurance with no priority 1 issues. |
| 2020/21 | Clinical Governance | Limited (Two priority 1 and four priority 2 issues) | <p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> • There was no evidence of an overall clinical governance policy being in place for the Council and consequently the clinical governance framework and systems in place were unclear. • Examination of the contracts for a sample of three contractors providing clinical services (from the list provided of 15 outsourced clinical services) confirmed that reference to clinical governance arrangements and monitoring was to varying degrees. In addition, all three of the contracts had expired. |
| 2020/21 | Disabled Facilities Grants | Limited (One priority 1 and 3 priority 2 issues) | A priority 1 issue was raised as the Council's DFG application form, which asks for personal information from the applicant, does not include privacy information or any consent. |
| 2020/21 | Public Health: Contracts Management (Sexual Health) | Limited (Four priority 1 and three priority 2 issue) | <p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> • The copy of the Section 75 Agreement with Croydon Health Services (CHS) to provide an integrated sexual health service was not signed and had expired on 31 March 2021. • The Lead Commissioner – Public Health & Prevention confirmed that signed electronic copies of contracts with the 45 GP surgeries and pharmacies to provide support within the community were not held. • Evidence of monitoring against the performance indicators in integrated sexual health service was limited to minutes of S75 Partnership Board meetings held in June and September 2020 and an e-mail dated September 2020 titled 'S75 & KPI reporting' which only provided monthly 'kit' requests and did not fully reflect the key service outcomes within the contract. No evidence of monitoring of the chlamydia screening, LARC or ESH contracts was provided. • Management confirmed that there was monitoring of the budget and service usage, but while we were provided with details of summary sexual health charges for both Croydon and 'Out of |

| Year | Internal Audit Title | Assurance Level & Number of Issues | Summary of Key Issues Raised |
|----------------------|--|--|---|
| | | | Area' providers for 2020/21, this did not include any budget details. A Sexual Health tracker is also maintained, to help monitor services (i.e. LARC, ESH and Chlamydia services) provided by and payments made to the GP surgeries and pharmacies. |
| 2020/21 | Temporary Accommodation: Standards in Private Sector | Limited Two priority 1 and four priority 2 issues) | Priority 1 issues were raised as: <ul style="list-style-type: none"> Electrical, gas and energy certificates were not located for some of the sample of Croybond properties and most of the sample of Croylease properties checked. Decent Homes Inspection' reports were not available for eight of the sample of 15 property records checked. |
| 2020/21 | Placement Deposits | Limited (One priority 1, three priority 2 and one priority 3 issues) | A priority 1 issue was raised as there was no policy in place regarding retainer payments, although it was noted that payments had only been made within Children's Services at the time of the review. |
| 2020/21 | Overtime Payments – Parking Services | Limited (Three priority 1 and three priority 2 issues) | Priority 1 issues were raised as: <ul style="list-style-type: none"> Parking Services staff eligibility for overtime was being determined based on the number of penalty charges notices (PCNs) issued, in breach of statutory guidance. The Enforcement Manager had authorised 101 hours of overtime for his brother in March 2020. Analysis of the overtime paid forms between 1 January and 31 August 2020 identified 10 Parking Services staff who had on average worked more than 48 hours a week for the period. This was not in line with the Staff Handbook, which requires that staff only work more than 48 hours a week for a limited period of time and on an exceptional basis. |
| 2020/21 | SEN Transport - Safeguarding | Limited Two priority 1 and two priority 2 issues) | Priority 1 issues were raised as: <ul style="list-style-type: none"> The 'Application Form: Home to School Travel Assistance (for ages 5-16)' although obtaining consent to process the personal data of the parent/carer and child did not also obtain consent for the processing of the personal data of the emergency contact Examination of a sample of ten contracts found that seven had not been evidenced as signed or dated, two contracts were signed but had not been dated and one contract could not be located on SharePoint. |
| 2020/21 | New Supplier Set up | Limited (One priority 1, four priority 2 and one priority 3 issue) | A priority 1 issue was raised as instances were identified where iProcurement access had been granted without both the relevant Director authorisation and the Buying Team's approval |
| 2020/21 | Cyber Security | Limited (One priority 1, six priority 2 and two priority 3 issues) | A priority 1 issue was raised as the Council has not undertaken recent penetration testing across the network and infrastructures. Such testing is commonly undertaken by the Council's peers at least annually and more frequently if significant changes are proposed to the IT environment. |
| School Audits | | | |
| 2020/21 | Thornton Heath Nursery School | Limited (Two priority 1, ten priority 2 and two priority 3 recommendations) | Priority 1 recommendations were raised as : <ul style="list-style-type: none"> The Governing Body did not hold the minimum required three meetings (face to face or on-line) during the 2019/20 school year. Sample testing of 13 transactions found that none of the invoices had been appropriately approved for payment by an identified officer. |

| Year | Internal Audit Title | Assurance Level & Number of Issues | Summary of Key Issues Raised |
|---------|-------------------------------------|--|---|
| 2020/21 | Archbishop Tenison;s CE High School | Limited (One priority 1, seven priority 2 and three 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 |
| 2020/21 | Thomas More Catholic School | Limited (One priority 1, eight priority 2 and five priority 3 recommendations) | A priority 1 recommendation was raised as the School did not have a plan to eliminate its deficit within three years as required by the Croydon Scheme for Financing Schools. |

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

| Financial Year | Audit Followed-up | Department | Assurance Level & Status | Total Raised | Resolved | |
|---|--|------------|--|--------------|----------|------------|
| | | | | | Total | Percentage |
| Non School Internal Audits | | | | | | |
| 2017/18 | Admitted Bodies (Response due 21/01/2022) | Resources | Substantial (5 th follow up in progress) | 4 | 3 | 75% |
| Issues and resolution from internal audits that have had responses | | | | 421 | 396 | 94% |
| Priority 1 Issues from internal audits that have had responses | | | | 47 | 47 | 100% |

Appendix 3 - Follow-up of 2018/19 audits (incomplete follow ups only)

| Financial Year | Audit Followed-up | Department | Assurance Level & Status | Total Raised | Resolved | |
|---|---|---------------------------|--|--------------|---------------------------------------|------------|
| | | | | | Total | Percentage |
| 2018/19 | Energy Recharges | Resources | No (2nd follow up in progress) | 7 | 4 | 57% |
| | | | | | One priority 1 issue not yet resolved | |
| 2018/19 | Air Quality Strategy, Implementation and Review | Place | Limited (4 th follow up in progress) | 8 | 4 | 50% |
| | | | | | One priority 1 issue not yet resolved | |
| 2018/19 | Asbestos Management (Beyond the Corporate Campus) | Place | Limited (9 th follow up in progress) | 12 | 9 | 75% |
| | | | | | One priority 1 issue not yet resolved | |
| 2018/19 | School Deficits and Surpluses (Conversion to Academy) | CYP&E | Substantial (3 rd follow up in progress) | 4 | 3 | 75% |
| 2018/19 | Mortuary | Assistant Chief Executive | Substantial (6 th follow up in progress) | 4 | 3 | 75% |
| 2018/19 | New Legal Services Model | Resources | Substantial (3 rd follow up in progress) | 7 | 5 | 71% |
| 2018/19 | Council Investment and Operational Properties – Income Maximisation | Resources | Substantial (4 th follow up in progress) | 4 | 3 | 75% |
| Issues and resolution from internal audits that have had responses | | | | 357 | 328 | 92% |
| Priority 1 Issues from internal audits that have had responses | | | | 51 | 48 | 94% |

Appendix 4 - Follow-up of 2019/20 audits

| Financial Year | Audit Followed-up | Department | Assurance Level & Status | Total Raised | Resolved | |
|-----------------------------------|--|------------|--|---|----------|------------|
| | | | | | Total | Percentage |
| Non School Internal Audits | | | | | | |
| 2019/20 | Creditors – Procure to Pay | Resources | Limited (2 nd follow up in progress) | 12 | 3 | 25% |
| | | | | Four priority 1 issues not yet resolved | | |
| 2019/20 | Housing Rent (Reduced Scope) | CYP&E | Limited (No further follow up) | 3 | 3 | 100% |
| 2019/20 | Main Accounting System | Resources | Limited (No further follow up planned) | 1 | 1 | 100% |
| 2019/20 | Staff Debt | Resources | Limited (No further follow up planned) | 8 | 7 | 87% |
| 2019/20 | Age Assessment Judicial Review | Housing | Limited (No further follow up planned) | 6 | 6 | 100% |
| 2019/20 | Alternative School Provisioning | CYP&E | Limited (No further follow up) | 6 | 6 | 100% |
| 2019/20 | SEND Special Educational Needs and Disability | CYP&E | Limited (4 th follow up in progress) | 2 | 1 | 50% |
| | | | | One priority 1 issue not yet resolved | | |
| 2019/20 | Financial Assessments – Charging Policy | ASC&H | Limited (No further follow up) | 5 | 5 | 100% |
| 2019/20 | Lettings Allocations and Assessments | Housing | Limited (3 rd follow up in progress) | 3 | 1 | 33% |
| | | | | One priority 1 issue not yet resolved | | |
| 2019/20 | Placements in Private Housing Accommodation | Housing | Limited (4 th follow up in progress) | 4 | 2 | 50% |
| 2019/20 | Adult Social Care (ASC) Waiting Lists | ASC&H | Limited (No further follow up) | 4 | 4 | 100% |
| 2019/20 | Care Market Failure | ASC&H | Limited (No further follow up) | 10 | 10 | 100% |
| 2019/20 | Financial Planning and Forecasting Adult's Services | ASC&H | Limited (No further follow up) | 5 | 4 | 80% |
| 2019/20 | Occupational Therapy (Response received and being reviewed) | ASC&H | Limited (7 th follow up in progress) | 4 | 2 | 50% |
| | | | | Two priority 1 issues not yet resolved | | |
| 2019/20 | Bringing Services in-house – Parks Services | Place | Limited (No further follow up) | 8 | 8 | 100% |
| 2019/20 | External Funding | Place | Limited (No further follow up) | 3 | 3 | 100% |
| 2019/20 | Food Safety – Data Quality | Place | Limited (No further follow up) | 5 | 4 | 80% |

Internal Audit Report April 2021 to 31 December 2021

| Financial Year | Audit Followed-up | Department | Assurance Level & Status | Total Raised | Resolved | |
|----------------|--|---|--|--|----------|------------|
| | | | | | Total | Percentage |
| 2019/20 | Parks Health and Safety | Place | Limited (3 rd follow up in progress) | 8 | 8 | 100% |
| 2019/20 | Brick by Brick Governance | Resources | Limited (No further follow up) | 2 | 2 | 100% |
| 2019/20 | Wheelchair Service – Community Equipment Service | ASC&H | Limited (8 th follow up in progress) | 3 | 2 | 67% |
| | | | | One priority 1 issue not yet resolved | | |
| 2019/20 | Freedom of Information and Subject Access Requests | Assistant Chief Executive | Limited (2 nd follow up in progress) | 3 | 0 | 0% |
| | | | | One priority 1 issue not yet resolved | | |
| 2019/20 | Enforcement Agents - Procurement | Resources | Limited (4 th follow up in progress) | 6 | 3 | 50% |
| | | | | Two priority 1 issues not yet resolved | | |
| 2019/20 | Business Rates | Resources | Substantial (No further follow up) | 1 | 1 | 100% |
| 2019/20 | Debtors | Resources | Substantial (no further follow up) | 10 | 9 | 90% |
| 2019/20 | Housing Benefit | Resources | Substantial (No further follow up) | 2 | 2 | 100% |
| 2019/20 | Pensions | Resources | Substantial (No further follow up) | 2 | 2 | 100% |
| 2019/20 | Pay and Display Meter Maintenance | Place | Substantial (No further follow up) | 4 | 4 | 100% |
| 2019/20 | Section 17 Payments | HWA | Substantial (No further follow up) | 5 | 5 | 100% |
| 2019/20 | Sheltered Accommodation (Extra Care Service) | HWA | Substantial (No further follow up) | 3 | 3 | 100% |
| 2019/20 | 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 | SLWP/Veolia | Sustainable Communities, Regeneration and Economic Recovery | Substantial (No further follow up) | 3 | 3 | 100% |
| 2019/20 | Debt Recovery In-house | Resources | Substantial (No further follow up) | 1 | 1 | 100% |
| 2019/20 | Enforcement Agents | Resources | Substantial (4 th follow up in progress) | 3 | 1 | 33% |
| 2019/20 | Risk Management | Resources | Substantial (No further follow up) | 4 | 4 | 100% |

Internal Audit Report April 2021 to 31 December 2021

| Financial Year | Audit Followed-up | Department | Assurance Level & Status | Total Raised | Resolved | |
|---|---|---------------------------|--|--------------|------------|------------|
| | | | | | Total | Percentage |
| 2019/20 | Staff Code of Conduct | Assistant Chief Executive | Substantial (No further follow up) | 5 | 4 | 80% |
| 2019/20 | IT Policies Review | Assistant Chief Executive | Substantial (2 nd follow up in progress) | 5 | 0 | 0% |
| 2019/20 | Uniform IT Application | Assistant Chief Executive | Substantial (6 th follow up in progress) | 4 | 2 | 50% |
| 2019/20 | Northgate iWorld Application | Assistant Chief Executive | Substantial (No further follow up) | 1 | 1 | 100% |
| 2019/20 | Microsoft Direct Access Operating System | Assistant Chief Executive | Substantial (No further follow up) | 4 | 4 | 100% |
| 2019/20 | Peoples ICT Application Response received and being reviewed | Assistant Chief Executive | Substantial (1 st follow up in progress) | 7 | - | - |
| Non-School Internal Audits Sub Total: Issues and resolution from internal audits that have had responses | | | | 176 | 140 | 80% |
| Non-School Internal Audits Sub Total: Priority 1 Issues from internal audits that have had responses | | | | 42 | 30 | 71% |
| School Internal Audits | | | | | | |
| 2019/20 | Winterbourne Nursery and Infant School | CYP&E | No (No further follow up) | 22 | 22 | 100% |
| 2019/20 | Beulah Junior School | CYP&E | Limited (No further follow up) | 14 | 13 | 93% |
| 2019/20 | Kenley Primary School | CYP&E | Limited (No further follow up) | 11 | 10 | 91% |
| 2019/20 | Margaret Roper Catholic Primary School | CYP&E | Limited (No further follow up) | 11 | 10 | 91% |
| 2019/20 | Minster Infant School | CYP&E | Limited (No further follow up) | 16 | 13 | 81% |
| 2019/20 | Norbury Manor Primary School | CYP&E | Limited (No further follow up) | 13 | 13 | 100% |
| 2019/20 | St Joseph's Federation | CYP&E | Limited (No further follow up) | 14 | 13 | 93% |
| 2019/20 | Virgo Fidelis Convent Senior School | CYP&E | Limited (No further follow up) | 19 | 19 | 100% |
| 2019/20 | Crosfield Nursery and Selhurst Early Years | CYP&E | Substantial (No further follow up) | 8 | 7 | 87% |
| 2019/20 | All Saints C of E Primary School | CYP&E | Substantial (No further follow up) | 12 | 12 | 100% |
| 2019/20 | Elmwood Infant School | CYP&E | Substantial (No further follow up) | 6 | 6 | 100% |
| 2019/20 | Heavers Farm School | CYP&E | Substantial (No further follow up) | 13 | 13 | 100% |
| 2019/20 | Selsdon Primary School | CYP&E | Substantial (2 nd follow up in progress) | 3 | 2 | 33% |

Internal Audit Report April 2021 to 31 December 2021

| Financial Year | Audit Followed-up | Department | Assurance Level & Status | Total Raised | Resolved | |
|--|-------------------|------------|--------------------------|--------------|----------|------------|
| | | | | | Total | Percentage |
| School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses | | | | 162 | 153 | 94% |
| School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses | | | | 31 | 31 | 100% |
| Issues/Recommendations and resolution/implementation from internal audits that have had responses | | | | 338 | 293 | 86% |
| Priority 1 Issues/Recommendations from internal audits that have had responses | | | | 73 | 61 | 84% |

Appendix 5 - Follow-up of 2020/21 audits

| Financial Year | Audit Followed-up | Department | Assurance Level & Status | Total Raised | Resolved | |
|---|---|---------------------------|---|--------------------------------------|-----------|------------|
| | | | | | Total | Percentage |
| Non School Internal Audits | | | | | | |
| 2020/21 | Overtime payments Limited Assurance with no priority 1 issues | Resources | Limited (4th follow up in progress) | 5 | 3 | 60% |
| 2020/21 | Staff Expenses – Compliance Checks | Resources | No (4th follow up in progress) | 5 | 2 | 40% |
| | | | | 3 priority 1 issues not yet resolved | | |
| 2020/21 | Clinical Governance | ASC&H | Limited (3rd follow up in progress) | 6 | 1 | 17% |
| | | | | 1 priority 1 issue not yet resolved | | |
| 2020/21 | Cyber Security | Assistant Chief Executive | Limited (1 st follow up in progress) | 8 | 0 | 0% |
| | | | | 1 priority 1 issue not yet resolved | | |
| 2020/21 | Disabled Facilities Grants | Housing | Limited (No further follow up) | 4 | 4 | 100% |
| 2020/21 | Public Health – Contract Management – Sexual Health Services | ASC&H | Limited (2nd follow up in progress) | 7 | 5 | 71% |
| | | | | 1 priority 1 issue not yet resolved | | |
| 2020/21 | Temporary Accommodation – Standards in Private Sector (Update provided and being reviewed) | Housing | Limited (2nd follow up in progress) | 6 | 0 | 0% |
| | | | | 2 priority 1 issues not yet resolved | | |
| 2020/21 | Overtime Payments – Parking Services | Place | Limited (No further follow up) | 6 | 5 | 83% |
| 2020-21 | SEN Transport – Safeguarding (Update provided and being reviewed) | Place | Limited (3rd follow up in progress) (3 issues resolved at final report stage) | 4 | 3 | 75% |
| | | | | 1 priority 1 issue not yet resolved | | |
| 2020/21 | New Supplier Set Up | Assistant Chief Executive | Limited (1 st follow up in progress) | 6 | - | - |
| 2020/21 | Cyber Security | Assistant Chief Executive | Limited (1 st follow up in progress) | 9 | - | - |
| 2020/21 | Corporate Estate: Building Compliance | Resources | Substantial (2 nd follow up in progress) | 6 | 2 | 33% |
| Non-School Internal Audits Sub Total: Issues and resolution from internal audits that have had responses | | | | 57 | 25 | 44% |
| Non-School Internal Audits Sub Total: Priority 1 Issues from internal audits that have had responses | | | | 19 | 10 | 53% |
| School Internal Audits | | | | | | |
| 2020/21 | Tunstall Nursery School | CYP&E | Substantial (No further follow up) | 3 | 3 | 100% |

Internal Audit Report April 2021 to 31 December 2021

| Financial Year | Audit Followed-up | Department | Assurance Level & Status | Total Raised | Resolved | |
|--|---|------------|--|---|------------|------------|
| | | | | | Total | Percentage |
| 2020/21 | Thornton Heath Nursery School | CYP&E | No (No further follow up) | 14 | 13 | 93% |
| 2020/21 | Forestdale Primary School | CYP&E | Substantial (No further follow up) | 11 | 11 | 100% |
| 2020/21 | Greenvale Primary School | CYP&E | Substantial (No further follow up) | 10 | 8 | 80% |
| 2020/21 | Purley Oaks Primary School | CYP&E | Substantial (No further follow up) | 9 | 9 | 100% |
| 2020/21 | Smitham Primary School | CYP&E | Substantial | 5 | 4 | 80% |
| 2020/21 | Winterbourne Nursery and Infants School | CYP&E | (No further follow up) | 5 | 5 | 100% |
| 2020/21 | Archbishop Tenison's CofE High School | CYP&E | Limited (No further follow up) | 11 | 10 | 91% |
| 2020/21 | Thomas More Catholic High School | CYP&E | Limited (2 nd follow up in progress) | 14 | 5 | 36% |
| | | | | 1 priority 1 recommendation not yet implemented | | |
| 2020/21 | St Giles | CYP&E | Substantial (No further follow up) | 3 | 3 | 100% |
| 2020/21 | St Nicholas | CYP&E | Substantial (No further follow up) | 7 | 6 | 86% |
| 2020/21 | Red Gates | CYP&E | Substantial (No further follow up) | 5 | 5 | 100% |
| School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses | | | | 97 | 82 | 84% |
| School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses | | | | 5 | 4 | 80% |
| Issues/Recommendations and resolution/ implementation from internal audits that have had responses | | | | 154 | 107 | 69% |
| Priority 1 Issues/Recommendations from internal audits that have had responses | | | | 24 | 14 | 58% |

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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Agenda Item 7

| | |
|------------------------|---|
| REPORT TO: | General Purpose and Audit Committee 16 February 2022 |
| SUBJECT: | Effectiveness of Care Cubed of providing and managing specialist placements |
| LEAD OFFICER: | Richard Eyre, Head of Improvement Adult Social Care and Health Directorate |
| CABINET MEMBER: | Cllr Janet Campbell Cabinet Members for Families, Health and Social Care |
| WARDS: | <i>All</i> |
| PUBLIC/EXEMPT: | |

SUMMARY OF REPORT:

This report provides an update to the General Purposes and Audit Committee on the procurement, implementation and effectiveness of the CareCubed costing tool for working age adult and children's social care placements.

COUNCIL PRIORITIES 2020-2024

A change in the way we deliver social care in order to reduce spend and live within our available resources is underway. This aligns to the following Croydon Renewal Plan priorities:

- We will live within our means, balance the books and provide value for money for our residents.
- We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy.

FINANCIAL IMPACT:

- The implementation of CareCubed supports the delivery of MTFs savings in Children's and Adult Social Care by enabling local area evidenced market cost analysis, during negotiations with providers on care and support provision in a placement.
- The implementation of CareCubed is also supporting the Cost of Care Strategy in Adult Social Care – where providers are requesting fee uplifts above the percentage being offered, the tool is being used to do right size/right price review of the relevant packages.

RECOMMENDATIONS:

- The committee notes the progress of implementation; and identifies a future committee for a further progress update.

1. SUMMARY

- 1.1. As part of the Croydon Renewal Plan, the Medium Term Financial Strategy; and what became a Report In Public Interest (RIPI) action to resolve, it was identified that significant levels of revenue were spent on placement costs in Children's and Adult Social Care.
- 1.2. Whilst some of these placements are made through framework agreements, enabling a level of assurance on agreed costs; many placements and packages of care are made on a spot purchase basis and/or are existing high cost placements. At that time, the Council did not have a consistent approach for identifying the 'right size' of a care package from a needs/individuals perspective and then linking that to a consistent approach to benchmarking and challenging costs with the external provider market.
- 1.3. With significant package of care budget reductions in the 2021/22 Adult Social Care budget (£7.925m), ensuring that there is grip and control on placement negotiations and spend, forms a core element of the Adult Social Care improvement plan.
- 1.4. The two most effective routes to achieve this are firstly, to review (within the parameters of the Children and Family Act or the Care Act) current placements and packages of care. Secondly, to ensure all new packages receive strong scrutiny, to ensure they are not over providing, overpriced/costed or missing opportunities to make best use of the individual's own strengths and local networks.
- 1.5. In March 2021 Adult Social Care, along with Children's Social Care, presented a business case to the Croydon Programme Management Office Steering Group, requesting permission to purchase a two year licence for the Adult Social Care and Children's Social Care modules of CareCubed; an online pricing and negotiation tool for placements, as well as some initial implementation costs.
- 1.6. The tool was transformation funded in year one (0.036m). If sufficient assurance was provided that the tool was enabling a reduction in costs of placements, then it would be funded from operational service budgets into year two (£0.026m).
- 1.7. The Council also negotiated the right to cancel at the end of the first 12 month period, if written notice was provided at least three months' in advance of the 2nd year start date.
- 1.8. The steering group approved the business case and investment in March 2021. Due to Covid lockdowns and service pressures. The contract was signed in May 2021, and the contract itself started on 9th June 2021.
- 1.9. This report sets out for the committee, progress to date of implementation and governance, the current return on investment; and finally next steps.

2. HOW DOES CARECUBED WORK

- 2.1. CareCubed is an online and secure, needs led pricing and benchmarking tool for placements (Residential/Nursing/Supported Living). It operates in two modules, Adult Social Care and Children's Social Care.
- 2.2. The tool does not apply to over 65's Residential and Nursing placements.
- 2.3. The tool is currently used in 50 authorities nationally, 19 in London including 3 in neighbouring South East London authorities and some authorities in the South West London footprint.
- 2.4. The tool allows the staffing time and activity required to support the assessed needs of a person to be benchmarked against costs researched from national data sources (such as Skills For Care and Her Majesty's Revenue and Customs). This is then put in to the context of the place and setting (i.e. Croydon, care home), it is being applied, to give a localised indicative cost for a placement.
- 2.5. The key benefits are as follows:
 - A strengths led approach to assessing how much care is required to support someone – in line with the Community Led Support model.
 - Consistent and evidence based approach for cost negotiations with external providers – taking a consistent approach is also more transparent and equitable to providers themselves and enhances the market oversight function of the Council.
 - Shifts some of the power in negotiations back to the Council, as outlier costs have to be evidenced and justified, rather than just accepted.
 - Reduces the opportunity for cost duplication in placements.
 - Is proven to deliver savings when applied to existing/historical placements.
 - Provide 'Value for Money' assurance on new placements – and cost avoidance.
 - Within London, 60% of Local Authorities are currently signed up to at least one of the modules and many are now working together collaboratively on approach, price comparisons and market shaping.

3. GOVERNANCE AND RETURN ON INVESTMENT

- 3.1. The implementation of the tool was overseen by a joint Adults and Children's implementation Project Board.
- 3.2. An implementation update was sent to Internal Audit on 12 August 2021. As part of the Report in Public Interest (RIPI) audit in November 2021, Mazaars were also provided with an online walk through of the CareCubed tool.
- 3.3. The implementation Project Board existed from September 2021 to November 2021. During this time placement reductions for Adults (£0.011m) and

Children's (£0.160m) were identified using the tool. For Adults, as of January 2022 the figure is now £0.178m identified. The two year cost of the tool is £0.062m. This led to the decision on 17 November 2021, from the Project Board, for the contract to be extended by a further 12 months.

- 3.4. The implementation Project Board was wound down, with the decision for oversight of the tool to be passed to the Disabilities Joint Commissioning Board in Adult Social Care.
- 3.5. At the 6 December 2021 Disabilities Joint Commissioning Board, it was minuted the Board would inherit oversight and continued decision making on the tool/future procurement options beyond year two of the contract.

4. CURRENT IMPLEMENTATION

Adult Social Care and Health (ASCH)

- 4.1. CareCubed is being used by the Adult Social Care & Health Directorate's Reviews Project Team. The tool assesses the current fee levels being charged for individual placements and to support any negotiations on cost that are required.
- 4.2. Overall the Team has been allocated 61 people to review to date. Of those reviews which have concluded, 11 have resulted in a package reduction. These 11 package reductions total over £6k per week and CareCubed has been used to support negotiations in 7 cases, of which 4 have confirmed reductions and 3 are in the negotiation stage (see 4.3 below).
- 4.3. Additionally, negotiations are under way with 3 other complex cases (some with costs in excess of £5k per week) and CareCubed is being used to support the negotiations.
- 4.4. Bi weekly support sessions have been scheduled in with Social Workers, Commissioners and an expert CareCubed user to discuss cases and provide guidance.
- 4.5. Due to current staffing pressures, the roll out to the mainstream Disability teams has been delayed, but the Disability North Team has been identified as the first Team to use CareCubed within that service. A new start date will need to be agreed with the Head of Disabilities. This will enable the tool to be implemented as a core service process at both the initial care and support assessment stage and also when residents are having care and support plans reviewed.
- 4.6. CareCubed training has recently been delivered to the Adults Mental Health Team to support with their reviews programme. As this is in the early stages of implementation, it is not yet possible to comment on outcomes. This is something that could be reported if required, to a future committee meeting.
- 4.7. Further, CareCubed has formed a central element of the Directorate's 'Cost of Care' strategy. This is where providers are seeking uplifts beyond that offered

by the Council. CareCubed will be used to review the packages of care, ensuring approved uplifts are evidenced as realistic and proportionate.

- 4.8. Looking forward, the Joint Commissioning Board is also exploring purchasing a 'Place Based License' to allow us to share and agree Joint Funding Arrangements with the CCG for complex packages of care.
- 4.9. The license would also support sharing the tool with Care Providers, to populate the information collaboratively. This has the potential to be particularly beneficial when making new placements; allowing social workers and the placements team to ensure best value for money is delivered at the point of placement.

Children with Disabilities (CWD)

- 4.10. CWD have also begun their implementation of CareCubed. The service has held a testing session with iESE (the owners of CareCubed) which was funded as part of the implementation.
- 4.11. This session ran through some cases in a test environment and used assumptions about the providers' costs and staff structures. The testing demonstrated that of the four cases tested, two had the potential to deliver cost reductions. The Project Manager in CWD is now working to implement the use of CareCubed. Negotiations training is currently being scheduled, after which a clearer implementation timeline will be established.

5. NEXT STEPS

- 5.1. The use of CareCubed has evidenced the delivery of savings and cost avoidance in Adults and Children's services, as per the original business case. This is kept under constant review, as per the governance routes outlined earlier in this paper.
- 5.2. During year two of the License, the efficacy of the tool will be further reviewed to inform future commissioning intentions, on whether to go back to the market to procure a costing tool for a further period of time, ahead of the license ending in August 2023.
- 5.3. The Disability Joint Commissioning Board would welcome the opportunity to report back to the General Purpose and Audit Committee at any time it feels necessary.

6. CONSULTATION

- 6.1. No consultation is required.

7. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 7.1. **Revenue and Capital consequences of report recommendations**

None. Transformation funding for year one was agreed in March 2021, and year two funding has been identified in 2022/23 revenue budgets.

7.2. **Risks**

The main risk, that CareCubed costs more than it saves or generates through Cost Avoidance, has been mitigated.

7.3. **Future savings/efficiencies**

CareCubed is an enabler to the delivery of the Adult Social Care and Health Directorate's, Medium Term Financial Strategy obligations.

Approved by: Mirella Peters, Head of Finance, Adult Social Care & Health

8. **LEGAL CONSIDERATIONS**

- 8.1. There are no legal considerations, beyond the usual discharge of the statutory duties under the Care Act relating to funding assessed need at a fair price. These duties fall within the remit of the Statutory Director of Adult Social Services (DASS)

Approved by: Petrena Sharpe, Interim Head of Social Care and Education Law, on behalf of the Interim Director of Law and Governance & Deputy Monitoring Officer.

9. **HUMAN RESOURCES IMPACT**

- 9.1. There is no Human Resources impact.

Approved by: Debbie Calliste, Head of HR for Adult Social Care & Health and Children, Young People & Education on behalf of the Director of Human Resources.

10. **EQUALITIES IMPACT**

- 10.1. The CareCubed tool was identified within the directorate's placement programme. The focus of this programme was cited in an equality impact assessment on reductions on packages of care spend, (dated 26.01.21) and approved by the Equalities Manger at that time (dated 03.02.21).
- 10.2. The focus of the tool is not to change the Care Act assessed care and support needs and so there are no impacts on residents or their protected characteristics. The tool simply identifies a realistic and benchmarked indicative cost of care support provision, from which the Council and Provider are able to negotiate a final cost.
- 10.3. Monitoring arrangements are scheduled to ensure that service users are not negatively impacted by the reduction in care packages. It is proposed to continue to review the Equality Analysis to support this.

- 10.4. Service users are able to access care through a variety of different providers including the voluntary sector. This ensures that service users are more able to receive care that meets their needs.

Approved by: Denise McCausland – Equality Programme Manager

11. ENVIRONMENTAL IMPACT

- 11.1. There is no Environmental impact.

12. CRIME AND DISORDER REDUCTION IMPACT

- 12.1. There is no Crime and Disorder Reduction impact.

13. DATA PROTECTION IMPLICATIONS

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

Yes.

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

An initial DPIA was completed, but in consultation with Information Governance, it was agreed as not required. This followed confirmation from a Carecubed demonstration, no personally identifiable data is being shared. The council will be using a unique reference number which is only identifiable to Croydon Council employees which mitigates any risk to the sharing of the data.

Please note the directorate has a published DPIA for adult social care - <https://democracy.croydon.gov.uk/documents/s19037/Appendix%201.pdf>

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APPENDICES TO THIS REPORT

None.

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Agenda Item 8

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

1. EXECUTIVE SUMMARY

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

2. WORK PROGRAMME

2.1 The work programme

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

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

2.2 Additional Items

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

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

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

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

3 RECOMMENDATIONS

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

CONTACT OFFICER: Sarah Keeble
Democratic Services and Governance
Officer- Council and Regulatory

BACKGROUND DOCUMENTS: None

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

General Purposes and Audit Committee

Chair: Dr Olu Olasoda

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

2021-2022 Municipal Year

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

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| | <ul style="list-style-type: none"> - Report in the Public Interest Action Plan – Progress Update - Internal Audit Update Report - Anti-Fraud Update Report - Annual Governance Statement 19/20 | <ul style="list-style-type: none"> - Dave Phillips - David Hogan - Matthew Davis |
| 14 October 2021 | <ul style="list-style-type: none"> - Financial Performance Report - Treasury Annual Review - Presentation on an area of Risk - Presentation on Budget Risk - Audit Progress Report | <ul style="list-style-type: none"> - Nigel Cook - Malcolm Davies - Matthew Davis - Sarah Ironmonger |
| 25 November 2021 | <ul style="list-style-type: none"> - Treasury Mid-Year Review - Corporate Risk Register - Internal Audit update Report - Anti-Fraud Corruption Strategy - Annual Governance Statement 20/21 - Regulation Investigatory Powers Act - Dedicated School Grant Management Plan - Governance Referendum Outcome: Update - Progress of Development - Tracking Actions from the Committee – to see it being followed through | <ul style="list-style-type: none"> - Nigel Cook - Malcolm Davies - Dave Phillips - Malcolm Davies - Heather Wills - Howard Passman - Shelley Davies - Heather Wills - Heather Wills |
| January 2022 | <ul style="list-style-type: none"> - Audit Progress Report - Workshop | <ul style="list-style-type: none"> - Sarah Ironmonger |
| 25 January 2022 | <ul style="list-style-type: none"> - Council Meeting Dates - Presentation on an area of Risk - Review of the MTFs January Cabinet Report - Constitutional changes - Revisions to Annual Governance Statement - Local Government & Social Care Ombudsman Report | <ul style="list-style-type: none"> - Democratic Services - Malcolm Davies - Richard Ennis/Matt Davis - Heather Wills - Heather Wills - Simon Robson |

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| <p>3 February 2022</p> <p>RECONVENED</p> <p>16 February 2022</p> | <ul style="list-style-type: none"> - February MTFs Cabinet Report – HRA - Reserve Strategy - Transformation Funding — Corporate Risk Register - Internal Audit Update Report — Anti-Fraud Update Report — Recovery Progress Report – Cultural Change - Care Cubed - Appointment of External Auditors | <ul style="list-style-type: none"> - Matthew Davis - Matthew Davis - Matthew Davis — Malcolm Davies - Dave Phillips — Malcolm Davies — Elaine Jackson - Richard Eyre - Dave Phillips |
| <p>3 March 2022</p> | <ul style="list-style-type: none"> - Grant Thornton Reports – Audit Findings - Internal Audit, Charter, Strategy and Plan — General Purposes and Audit Committee Draft Annual Report - Croydon Finance Review – Phase 1, 2 and 3 Reports – Update on Implementation — Presentation on an area of risk - Report in the Public Interest Action Plan – Progress Update - Changes to the Constitution - Anti-Fraud Update Report - Corporate Risk Register - Fairfield Halls Report in the Public Interest Action Plan | <ul style="list-style-type: none"> - Sarah Ironmonger - Dave Phillips — Dave Phillips - Matt Davis — Malcolm Davies - Richard Ennis - Heather Wills - Malcom Davies - Malcom Davies - Stephen Rowan |
| <p>21 April 2022</p> | <ul style="list-style-type: none"> - Assurance Map - Recovery and Improvement – Progress Report - Internal Audit Report - Anti-Fraud Update Report | <ul style="list-style-type: none"> - Elaine Jackson - Elaine Jackson - Dave Phillips - Malcolm Davies |

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| | <ul style="list-style-type: none">- Corporate Complaints- Draft work plan- Presentation on an Area of Risk- General Purposes and Audit Committee Draft Annual Report | <ul style="list-style-type: none">- Elaine Jackson- Richard Ennis- Malcom Davies- Dave Phillips |
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