

# London Borough of Croydon

## Internal Audit Report to 31 October '20

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**Please refer to the Statement of Responsibility in Appendix 7 of this report for further information about responsibilities, limitations and confidentiality.**

## 1. Internal Audit Performance

- 1.1 Due to the Covid-19 pandemic lockdown the 2019/20 annual internal audit plan (plan) was not delivered by 31 March 2020, with some internal audits still being in progress or not started. With the easing of the lockdown restrictions work on delivering the 2019/20 plan has resumed with the intention of completing these remaining internal audits by the end of the calendar year.
- 1.2 To help ensure that the annual internal audit plan supported the Risk Management Framework and therefore the Council Assurance Framework, the 2020/21 plan was substantially informed by the risk registers. The 2020/21 plan was presented to the General Purposes and Audit Committee on 17 March 2020.
- 1.3 Following the Covid-19 pandemic lockdown, with the delays in commencing work on the 2020/21 plan and the substantially different pressures on the Council, the 2020/21 plan has been amended and a copy of the amended plan is included at Appendix 6.
- 1.4 Work on the 2020/21 plan has commenced and a number of internal audits are well underway, with some at review stage and/or draft report issue.
- 1.5 The table below details the performance for the 2020/21 plan against the Council's targets. At 31 October 2020 Internal Audit had delivered 17% of the planned days, with 2 draft reports issued.

Performance Objective	Annual Target	Year to Date Target	Year to Date Actual	Performance
% of planned 2020/21 plan days delivered	100%	50%	17%	▼
Number of 2020/21 planned days delivered	1054	627	179	▼
% of 2020/21 planned draft reports issued	100%	28%	2.5%	▼
Number of 2020/21 planned draft reports issued	81	22	2	▼
% of planned 2019/20 plan days delivered	100%	100%	90%	▼
Number of 2019/20 planned days delivered	1011	1011	905	▼
% of 2019/20 planned draft reports issued	100%	100%	72%	▼
Number of 2019/20 planned draft reports issued	88	88	63	▼
% of draft reports issued within 2 weeks of exit meeting	85%	85%	88%	▲
% of qualified staff engaged on audit	40%	40%	25%	▼

## 2. Audit Assurance

2.1 Internal Audit provides four levels of assurance as follows:

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

2.2 The table below lists the internal audits for which final reports were issued from 1 April to 31 October 2020. Details of the key issues arising from these reports are shown in Appendix 1.

Internal Audit Title	Assurance Level	Planned Year
Azure Backup Application Audit	Full	2019/20
Contract Management – Street Lighting PFI	Full	2019/20
Debt Recovery In-house	Substantial	2019/20
Parks Health and Safety	Limited	2019/20
Age Assessment Judicial Reviews	Limited	2019/20
Fairfield Halls Delivery (BXB Management)	No	2019/20

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

- 3.1 During 2020/21 in response to the Council's follow-up requirements, Internal Audit has continued following-up the status of the implementation of agreed actions for audits carried out during 2015/16, 2016/17, 2017/18 and 2018/19 and 2019/20.
- 3.2 Follow-up audits are undertaken to ensure that all the recommendations/issues raised have been successfully resolved according to the action plans agreed with the service managers. The Council's target for internal audit recommendations/issues to be resolved at the time of the follow-up audit is 80% for all priority 2 & 3 recommendations/issues and 90% for priority 1 recommendations/issues.

Performance Objective	Target	Performance (to date)				
		2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of priority one actions implemented at the time of the follow up audit	<b>90%</b>	100%	98%	100%	<b>85%</b>	<b>77%</b>
Percentage of all actions implemented at the time of the follow up audit	80%	94%	93%	91%	86%	83%

- 3.3 The results of those for 2016/17, 2017/18, 2018/19 and 2019/20 audits that have been followed up are included in Appendixes 2, 3, 4 and 5 respectively.
- 3.4 Appendix 2 shows the incomplete 2016/17 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 93% of the total recommendations were found to have been implemented and 98% of the priority 1 recommendations which have been followed up have been implemented. The outstanding priority 1 recommendation is detailed below:

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

- 3.5 Appendix 3 shows the incomplete 2017/18 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 91% of the total recommendations/issues were found to have been implemented and 100% of the priority 1 recommendations/issues which have been followed up have been implemented.
- 3.6 Appendix 4 shows the 2018/19 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 85% 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	Executive Director Responsible	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
Payments Against Orders	Debbie Jones	Limited	<p>A priority 1 issue was identified as means tests were not on file for six out of the sample of 10 adoption allowances tested.</p> <p><u>Response provided October 2020:</u></p> <p>The completion, monitoring and compliance remains poor and needs checking on all cases by the CPH on completing the financial assessments and raise any issues with the Head of Service.</p>

Audit Title	Executive Director Responsible	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
SEN to include Ombudsman upheld complaints	Debbie Jones	Limited	<p>A priority 1 issue was identified as, during the last academic year, the percentage of Education and Health Care Plans (EHCPs) completed within the statutory 20 week period was 78%.</p> <p><u>Response provided December 2019:</u></p> <p>From January 2019 to October 2019 the percentage of plans that met the 20 week deadline was 75% (191 out of 256 were within timescales)</p> <p>Coordinators continue to monitor the 16 week timescale for issuing the draft EHC Plan but as yet we do not have a formal report to show it (we were waiting for the new database).</p>
Temporary Employment	Jacqueline Harris Baker	Limited	<p>A priority 1 issue was raised as seven of the sample of 30 orders tested (for 32 assignments) were originally placed for more than the required policy maximum of 24 weeks. Furthermore, 26 of these continued for longer than the duration as specified in the original order for an average of an extra 27 weeks.</p> <p><u>Update March 2020:</u></p> <p>Section 6.2 of the draft policy states 3 exceptions to this 13 week rule. This policy is now with HR to agree as they now oversee the operational delivery of the service. Policy update and file to be added.</p> <p>New deadline suggested: 1st April 2020</p> <p>A priority 1 issue was raised as seven of the sample of 30 orders that were tested were not evidenced as appropriately authorised.</p> <p><u>Update March 2020:</u></p> <p>This policy is now with HR to agree as they now oversee the operational delivery of the service.</p> <p>New deadline suggested: 1st April 2020</p>
Asbestos Management	Shifa Mustafa	Limited	<p>A priority 1 issue was identified as there are some 7,762 housing assets, assets for which there was no identifier of whether asbestos was either identified, strongly presumed, presumed or was not found. Discussion established that this number included assets such as roads; however, examination of the listing noted that there were also general rent dwellings, service tenancies and garages included</p> <p><u>Response March 2020:</u></p> <p>The asbestos policy and plan has now received Director sign off.</p> <p>Workshops and asbestos awareness training for relevant staff are to be arranged over the next couple of months.</p>

3.7 Appendix 5 shows the 2019/20 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented 83% of the total recommendations/issues were found to have been implemented and 77% 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	Executive Director Responsible	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
Lettings Allocations and Assessments	Debbie Jones	Limited	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.
Adult Social Care (ASC) Waiting Lists	Guy Van Dichele	Limited	A priority 1 issue was raised as the Front Door call statistics for up to the week commencing 12 August 2019 identified that 1 in 5 calls (21%) are lost and that the average call wait time was 4.05 minutes.

Audit Title	Executive Director Responsible	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
			<p><u>Response provided September 2020:</u></p> <p>Due to losing the temporary staff the answering of the telephones is now mainly carried out by CC staff with support from CAS staff when the abandonment rate is 15% or higher or there are more than 3 calls waiting more training for CC advisors is planned to increase capacity. August is a difficult time for all frontline services due to A/L and staff shortages however I have included the stats for 18/08/20 as an example however please attached the stats for 18/08/20 and a comparison to 11/08/20 as an example.</p>
Care Market Failure	Jacqueline Harris Baker	Limited	<p>A priority 1 issue was raised as formal contracts were not available for care home providers, although it was explained that a Dynamic Purchasing System was being established, which is anticipated will start from April 2020.</p> <p><u>Response provided November 2020:</u></p> <p>The evaluation of applications to the DPS is almost complete with moderation in early December. Cabinet member delegated key decision is likely to be in January with first call-offs in late January/early February. The DPS will be re-opened to ensure a broad market of care homes.</p>
Occupational Therapy	Guy Van Dichele	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 September 2020:</u></p> <p>The local authority is reviewing and re-negotiating risk share for the period of notice.</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 September 2020:</u></p> <p>The waiting list has reduced to 100 across the localities.</p> <p>Every person on the waiting list was contacted through COVID and triaged and risk assessed.</p> <p>Reflects the activity for the first point as we are doing proportionate assessments and some virtually at the point of contact.</p> <p>The team is skill mixed and simple assessments have been allocated to the OT aids.</p>
Food Safety – Data Quality	Shifa Mustafa	Limited	<p>A priority 1 issued was raised as the reports of inspections due generated from the UNIFORM system were not accurate.</p> <p><u>Response provided November 2020:</u></p> <p>Issues remain, call with IT to identify reasons.</p>
Parks Health and Safety	Shifa Mustafa	Limited	<p>A priority 1 issue was raised as fire risk assessments for most of the parks and greenspaces (where applicable) required review and, where appropriate, update.</p> <p><u>Response provided October 2020:</u></p> <p>On-site risk assessments are programmed with the aim to have them completed by the end of 2020.</p>
Wheelchair Service – Community Equipment Service	Jacqueline Harris Baker	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>Response provided June 2020:</u></p> <p>Following the recommendation from the audit team we have been in touch with the head of treasury to scope out the use of the payment solution currently piloted in the schools.</p> <p>We are hoping to use the learning from the schools pilot to help the implementation of the solution.</p>

Audit Title	Executive Director Responsible	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
			The completion of this action is also largely dependent on the availability of the treasury team to lead this project and ensure CES has the necessary support to implement this new payment solution.
Expenses & Overtime Payments to Staff	Jacqueline Harris Baker	No	<p>Priority 1 issues was raised as</p> <ul style="list-style-type: none"> <li>• Testing of a sample of 20 approved expenses established five instances where the expenses were incorrectly categorised and, in some instances, should not have been claimed. Examination of a report of all expenses claimed 1 April to 18 October 2019 confirmed that the above were not isolated examples. This despite users being required, prior to submitting expenses claims, to acknowledge that they have read and understood the Council's Expenses Management Policy.</li> <li>• Sample testing identified expense claims that were being authorised outside of the 90 day eligibility timeframe as defined in the Expenses Management Policy. Examination of a report of all expenses claimed 1 April to 18 October 2019 confirmed that the above were not isolated examples.</li> <li>• Examination of a report of all expenses claimed 1 April to 18 October 2019 identified two instances where payments to an individual had been claimed as expenses by a staff employee. In both these instances it is held that HMRC would deem the individual to be an employee; however, no NI or PAYE deductions had been made. Furthermore, in line with the Council's Expenses Management Policy, these should not have been claimed as expenses.</li> <li>• Examination of a sample of expense claims from a report of all expenses claimed 1 April to 18 October 2019 identified that these had not been properly recorded and therefore there was a lack of record to demonstrate that these expenses were actually incurred for business purposes.</li> <li>• Examination of the documentation held for a sample of 15 staff on the car allowance scheme identified that corresponding Compulsory Car Allowance User forms were not available for 10 of these staff.</li> </ul>

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

Internal Audit Title	Assurance Level & Number of Issues	Summary of Key Issues Raised
<b>Non-School Internal Audits</b>		
Fairfield Hall Delivery (BxB Management)	No Assurance (Three Priority 1 issues )	<p>Priority 1 issues were identified that</p> <ul style="list-style-type: none"> <li>The licence for access to carry out works in respect of property at Fairfield, College Green issued to BXB did not include specific contract conditions relating to quality or deadline for delivery.</li> <li>The conditional sale of the Fairfield Car Park agreement was still in draft at the time of the substantive internal audit fieldwork in February 2020</li> <li>The Executive Director Place, a director of BXB, was the chair of the Fairfield Board meetings which is a conflict of interests</li> </ul>
Parks Health and Safety	Limited Assurance (Three Priority 1, four Priority 2 and a Priority 3 issue)	<p>Priority 1 issues were identified that:</p> <ul style="list-style-type: none"> <li>A Parks Strategy was not in place;</li> <li>Weekly reports of playground visual inspections were missing in a number of instances, and</li> <li>Fire risk assessments for most of the parks and greenspaces (where applicable) required review and, where appropriate, update.</li> </ul>
Age Assessment Judicial Reviews	Limited Assurance (Two priority 1, four priority 2 issues)	<p>Priority 1 issues:</p> <ul style="list-style-type: none"> <li>The 2018/19 recharge for 50% of the legal costs incurred for age assessment judicial reviews to the UK Border Agency was overstated; and</li> <li>There was a lack of monitoring and reporting of appropriate statistics on the outcomes or costs of age assessment judicial review cases.</li> </ul>
Debt Recovery – In House	Substantial Assurance (One priority 2 issue)	No priority 1 issues raised.
Azure Backup Application Audit	Full Assurance	No priority 1 issues raised.
Contract Management – Street Lighting PFI	Full Assurance	No priority 1 issues raised.



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

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
Non School Internal Audits						
2016/17	Contract Monitoring and Management - Streets Division	Shifa Mustafa	Limited  (2nd follow up in progress)	6	4	67%
				One priority 1 recommendation not implemented		
2016/17	Clinical Governance	Guy Van Dichele	Substantial  (5th follow up in progress)	3	1	33%
Recommendations and implementation from internal audits that have had responses				424	393	93%
Priority 1 Recommendations from internal audits that have had responses				45	44	98%

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

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
Non School Internal Audits						
2017-18	Development Management No response received	Shifa Mustafa	Substantial  (1st follow up in progress)	5	-	-
2017-18	Gifts and Hospitality	Jaqueline Harris-Baker	Substantial  (4th follow up in progress)	4	3	75%
2017/18	Admitted Bodies	Jaqueline Harris-Baker	Substantial  (2nd follow up in progress)	4	1	25%
2017/18	One Croydon Alliance Programme	Guy Van Dichele	Substantial  (3rd follow up in progress)	7	3	43%
Recommendations and implementation from internal audits that have had responses				419	383	91%
Priority 1 Recommendations from internal audits that have had responses				47	47	100%

## Appendix 4 - Follow-up of 2018/19 audits

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
Non School Internal Audits						
2018/19	Voluntary Sector Commissioning Adult Social Care	Jaqueline Harris-Baker	No Assurance (No further follow up)	8	8	100%
2018/19	Housing Repairs	Guy Van Dichele	Limited (No further follow up)	2	2	100%
2018/19	Pensions Administration	Jaqueline Harris-Baker	Limited (No further follow up)	5	4	80%
2018/19	Children and Families System Support Team (ContrOCC)  (Further response received and being reviewed)	Debbie Jones	Limited  (3rd follow up in progress)	13	10	77%
2018/19	Payments to In House Foster Carers	Debbie Jones	Limited (No further follow up)	4	4	100%
2018/19	Payments Against Orders	Debbie Jones	Limited  (2nd follow up in progress)	10	3	30%
				1 priority 1 issue not yet resolved		
2018/19	SEN to include Ombudsman upheld complaints	Debbie Jones	Limited  (3rd follow up in progress)	5	2	40%
				1 priority 1 issue not yet resolved		
2018/19	GDPR in Schools	Debbie Jones	Limited (No further follow up)	8	8	100%
2018/19	Health and Safety in Schools	Debbie Jones	Limited  (4th follow up in progress)	6	4	67%
2018/19	Air Quality Strategy, Implementation and Review	Shifa Mustafa	Limited (1st follow up in progress)	8	-	-
2018/19	Allotments	Shifa Mustafa	Limited (No further follow up)	5	4	80%
2018/19	Live Well – Active Lifestyle Team	Shifa Mustafa	Limited (No further follow up)	7	7	100%
2018/19	No Recourse to Public Funds (NRPF)	Guy Van Dichele	Limited (No further follow up)	4	4	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2018/19	Croylease (Landlord letting Scheme)	Guy Van Dichele	Limited (No further follow up)	8	8	100%
2018/19	Libraries Income Collection	Shifa Mustafa	Limited (No further follow up)	5	5	100%
2018/19	Election Accounts and Claims	Jaqueline Harris-Baker	Limited (No further follow up)	7	6	86%
2018/19	Temporary Employment	Jaqueline Harris-Baker	Limited (3rd follow up in progress)	16	5	31%
				2 priority 1 issues not yet resolved		
2018/19	Asbestos Management (Beyond the Corporate Campus)	Shifa Mustafa	Limited (3rd follow up in progress)	12	9	75%
				1 priority 1 issue not yet resolved		
2018/19	PMI General Building Works Service	Shifa Mustafa	Limited (No further follow up)	6	5	83%
2018/19	Parking Enforcement and Tickets	Shifa Mustafa	Substantial (No further follow up)	5	5	100%
2018/19	School Deficits and Surpluses (Conversion to Academy)	Debbie Jones	Substantial (2nd follow up in progress)	4	3	75%
2018/19	Highways Statutory Defence	Shifa Mustafa	Substantial (No further follow up)	4	4	100%
2018/19	Discretionary Housing Payments	Guy Van Dichele	Substantial (No further follow up)	3	3	100%
2018/19	Leasehold Service Charges	Guy Van Dichele	Substantial (No further follow up)	2	2	100%
2018/19	Public Events	Shifa Mustafa	Substantial (No further follow up)	7	6	86%
2018/19	South London Work and Health Partnership( SLWHP)	Shifa Mustafa	Substantial (No further follow up)	3	3	100%
2018/19	Parking CCTV	Shifa Mustafa	Substantial (No further follow up)	1	1	100%
2018/19	Mortuary	Jaqueline Harris-Baker	Substantial (4 <sup>th</sup> follow up in progress)	4	3	75%

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2018/19	Growth Zone – High Level Review	Shifa Mustafa	Substantial (No further follow up)	3	3	100%
2018/19	GDPR	Jaqueline Harris-Baker	Substantial (2nd follow up in progress)	2	0	0
2018/19	New Legal Services Model	Jaqueline Harris-Baker	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2018/19	Council Investment and Operational Properties – Income Maximisation	Jaqueline Harris-Baker	Substantial (3 <sup>rd</sup> follow up in progress)	4	2	50%
2018/19	Access to IT Server	Jaqueline Harris-Baker	Substantial (No further follow up)	3	3	100%
2018/19	Capita Event Management	Jaqueline Harris-Baker	Substantial (No further follow up)	3	3	100%
2018/19	Third party – Service Delivery	Jaqueline Harris-Baker	Substantial (No further follow up)	1	1	100%
2018/19	Cashiers (Cash Handling)	Jaqueline Harris-Baker	Full (No further follow up)	1	1	100%
<b>Non-School Internal Audits Sub Total:</b>				<b>181</b>	<b>141</b>	<b>78%</b>
<b>Recommendations and implementation from internal audits that have had responses</b>						
<b>Non-School Internal Audits Sub Total:</b>				<b>27</b>	<b>22</b>	<b>81%</b>
<b>Priority 1 Recommendations from internal audits that have had responses</b>						
<b>School Internal Audits</b>						
2018/19	Virgo Fidelis Convent School	Debbie Jones	No (No further follow up)	27	27	100%
2018/19	Coulson C of E Primary School	Debbie Jones	Limited (No further follow up)	8	7	88%
2018/19	The Mister Junior School	Debbie Jones	Limited (No further follow up)	11	9	82%
2018/19	Winterbourne Junior Girls School	Debbie Jones	Limited (No further follow up)	12	12	100%
2018/19	Regina Coeli Catholic Primary School	Debbie Jones	Limited (No further follow up)	10	10	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2018/19	St Andrews C of E VA High School	Debbie Jones	Limited (No further follow up)	5	5	100%
2018/19	Thomas More Catholic School	Debbie Jones	Limited (No further follow up)	18	17	94%
2018/19	Christchurch CofE Primary School	Debbie Jones	Substantial (No further follow up)	10	10	100%
2018/19	Orchard Way Primary School	Debbie Jones	Substantial (No further follow up)	8	8	100%
2018/19	Park Hill Infant School	Debbie Jones	Substantial (No further follow up)	6	6	100%
2018/19	Ridgeway Primary School	Debbie Jones	Substantial (No further follow up)	7	6	86%
2018/19	The Hayes Primary School	Debbie Jones	Substantial (No further follow up)	7	7	100%
2018/19	St Mary's Catholic High School	Debbie Jones	Substantial (1st follow up in progress)	12	11	91%
2018/19	Bensham Manor School	Debbie Jones	Substantial (No further follow up)	9	8	89%
<b>School Internal Audits Sub Total:</b>				<b>150</b>	<b>143</b>	<b>95%</b>
<b>Recommendations and implementation from internal audits that have had responses</b>						
<b>School Internal Audits Sub Total:</b>				<b>19</b>	<b>19</b>	<b>100%</b>
<b>Priority 1 Recommendations from internal audits that have had responses</b>						
<b>Recommendations and implementation from internal audits that have had responses</b>				<b>330</b>	<b>284</b>	<b>86%</b>
<b>Priority 1 Recommendations from internal audits that have had responses</b>				<b>46</b>	<b>41</b>	<b>85%</b>

## Appendix 5 - Follow-up of 2019/20 audits

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
Non School Internal Audits						
2019/20	Expenses and Overtime Payments to Staff  (Further response received and being reviewed)	Jacqueline Harris Baker	No  (2nd follow up in progress)	8	0	0
				5 priority 1 issues not yet resolved		
2019/20	Housing Rent (Reduced Scope)	Guy Van Dichele	Limited  (No further follow up)	3	3	100%
2019/20	Age Assessment Judicial Review	Guy Van Dichele	Limited  (1st follow up in progress	6	-	-
2019/20	Alternative School provisioning	Debbie Jones	Limited  (No further follow up)	6	6	100%
2019/20	Partnership Governance – Children and Families	Debbie Jones	Limited  (1st follow up in progress No priority 1 issues)	5	-	-
2019/20	Lettings Allocations and Assessments  (Further response received and being reviewed)	Guy Van Dichele	Limited  ( 2nd follow up in progress)	3	1	67%
				1 priority 1 issue not yet resolved		
2019/20	Placements in Private Housing Accommodation	Guy Van Dichele	Limited  (2 <sup>nd</sup> follow up in progress	4	2	50%
2019/20	Adult Social Care (ASC) Waiting Lists	Guy Van Dichele	Limited  (3rd follow up in progress)	4	3	75%
				1 priority 1 issue not yet resolved		
2019/20	Care Market Failure  (Further response received and being reviewed)	Jacqueline Harris-Baker / Guy Van Dichele	Limited  (4th follow up in progress)	10	7	70%
				1 priority 1 issue not yet resolved		
2019/20	Occupational Therapy	Guy Van Dichele	Limited  (2nd follow up in progress)	4	2	50%
				2 priority 1 issues not yet resolved		
2019/20	Bringing Services in-house – Parks Services	Shifa Mustafa	Limited  (No further follow up)	8	8	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2019/20	External Funding	Shifa Mustafa	Limited (No further follow up)	3	3	100%
2019/20	Food Safety – Data Quality	Shifa Mustafa	Limited (3rd follow up in progress)	5	2	40%
				1 priority 1 issue not yet resolved		
2019/20	Parks Health and Safety	Shifa Mustafa	Limited (2 <sup>nd</sup> follow up in progress)	8	3	38%
				1 priority 1 issue not yet resolved		
2019/20	Wheelchair Service – Community Equipment Service	Jacqueline Harris Baker	Limited (2 <sup>nd</sup> follow up in progress)	3	2	67%
				1 priority 1 issue not yet resolved		
2019/20	Business Rates	Jacqueline Harris Baker	Substantial (No further follow up)	1	1	100%
2019/20	Housing Benefit	Jacqueline Harris Baker	Substantial (No further follow up)	2	2	100%
2019/20	Payments to Schools	Jacqueline Harris Baker	Substantial (1st follow up in progress)	2	-	-
2019/20	Pensions	Jacqueline Harris Baker	Substantial (2 <sup>nd</sup> follow up in progress)	2	1	50%
2019/20	Pay and Display Meter Maintenance	Shifa Mustafa	Substantial (No further follow up)	4	4	100%
2019/20	Section 17 payments	Guy Van Dichele	Substantial (No further follow up)	5	5	100%
2019/20	Fire Safety (Housing Stock)	Shifa Mustafa	Substantial (3 <sup>rd</sup> follow up in progress)	1	0	0
2019/20	Growth Zone – Performance Manager	Shifa Mustafa	Substantial (2 <sup>nd</sup> follow up in progress)	4	2	50%
2019/20	Highways Contract Management (Further response received and being reviewed)	Shifa Mustafa	Substantial (2 <sup>nd</sup> follow up in progress)	4	3	75%



Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2019/20	Uniform IT Application	Jacqueline Harris Baker	Substantial (3 <sup>rd</sup> follow up in progress)	4	2	50%
2019/20	Northgate iWorld Application	Jacqueline Harris Baker	Substantial (No further follow up)	1	1	100%
<b>Non-School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses</b>				<b>97</b>	<b>63</b>	<b>65%</b>
<b>Non-School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses</b>				<b>25</b>	<b>12</b>	<b>48%</b>
<b>School Internal Audits</b>						
2019/20	Winterbourne Nursery and Infant School		No (No further follow up)	22	22	100%
2019/20	Beulah Junior School		Limited (No further follow up)	14	13	93%
2019/20	Kenley Primary School		Limited (No further follow up)	11	10	91%
2019/20	Margaret Roper Catholic Primary School		Limited (4 <sup>th</sup> follow up in progress)	11	8	73%
2019/20	Minster Infant School		Limited (No further follow up)	16	13	81%
2019/20	Norbury Manor Primary School		Limited (No further follow up)	13	13	100%
2019/20	St Joseph's Federation		Limited ( No further follow up)	14	13	93%
2019/20	Virgo Fidelis Convent Senior School		Limited (No further follow up)	19	19	100%
2019/20	Crosfield Nursery and Selhurst Early Years		Substantial (No further follow up)	8	7	87%
2019/20	All Saints C of E Primary School		Substantial (No further follow up)	12	12	100%
2019/20	Elmwood Infant School		Substantial (No further follow up)	6	6	100%
2019/20	Heavers Farm School		Substantial	13	13	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
			(No further follow up)			
School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses				159	149	94%
School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses				31	31	100%
Recommendations and implementation from internal audits that have had responses				256	212	83%
Priority 1 Recommendations from internal audits that have had responses				56	43	77%

## Appendix 6 – 2020/21 Amended Internal Audit Plan

2020/21 Annual Audit Plan	Department	Audit Days
<b>KEY FINANCIAL SYSTEMS REVIEWS</b>		
Business Rates	Resources	10
Adult and Children's Social Care Payment Processes	Resources	20
Council Tax	Resources	10
Payments to Schools (Include licensed deficit process)	Resources	10
Continuous auditing	Resources	60
Follow-up of audits		10
<b>Total Key Financials Audits</b>		<b>120</b>
<b>CORPORATE RISK AUDITS</b>		
Ad Hoc Payments	Corporate	15
Organisational Resilience	Corporate	10
Overtime Payments	Corporate	10
Service Based Budget Monitoring: Across the Organisation	Corporate	20
Staff Expenses - Compliance checks	Corporate	15
Staff Parking and Travel To Work	Corporate	20
Management of Remote Staffing	Corporate	10
Follow up of audits		6
<b>Total Corporate Risk Audits</b>		<b>106</b>
<b>DEPARTMENTAL RISK AUDITS</b>		
Schools PFI Council Funding	Children, Families and Education	10
End to end Placement process (including disabilities)	Children, Families and Education	40
"Ordinary Residents"	Health, Wellbeing & Adults	10
Adults Social Care Placements (Dynamic Purchasing System)	Health, Wellbeing & Adults	10
Blue Badges	Health, Wellbeing & Adults	10
Care Units Insourced	Health, Wellbeing & Adults	10
Clinical Governance	Health, Wellbeing & Adults	10
Continuing Healthcare	Health, Wellbeing & Adults	10
Council Owned Temporary Accommodation: Concierge and Site Management	Health, Wellbeing & Adults	10
Disabled Facilities Grants	Health, Wellbeing & Adults	10
Homelessness: Voids	Health, Wellbeing & Adults	20
Out of Borough Adult Social Care Placements	Health, Wellbeing & Adults	10
Public Health: Contracts Management	Health, Wellbeing & Adults	15
Temporary Accommodation: Standards in Private Sector	Health, Wellbeing & Adults	15
Transforming Care	Health, Wellbeing & Adults	10

2020/21 Annual Audit Plan	Department	Audit Days
Localities: Performance Data	Health, Wellbeing & Adults	10
Placement Deposits	Health, Wellbeing & Adults / Children, Families and Education	15
Apprenticeships	Place	10
Corporate Estate: Building Compliance	Place	15
Croydon Affordable Homes: Contract Management	Place	10
Emissions Based Parking Charges	Place	10
Health and Safety: Job Risk Assessments	Place	10
Housing Need and Supply: Roles and Responsibilities	Place	10
Selective Licensing	Place	10
SEN Transport - Safeguarding	Place	10
SLWP - Payments and Recharging Processes	Place	10
Walking and Cycling Schemes	Place	10
Agency Staff - Internal Recharges	Resources	10
CDS Contract Management	Resources	15
CDS Governance/Structure/Engagement	Resources	10
Establishment Control	Resources	10
Loans and Investments (Non Treasury)	Resources	10
Long Term Sick and Maternity Sick leave	Resources	10
New Supplier Set up	Resources	10
Right To Work checks	Resources	10
Procurement card expenditure under Covid-19	Resources	10
Hospital discharges - reclaims	Health, Wellbeing & Adults	10
Supplier relief under covid-19	Resources	10
Local Support Systems (under covid-19)	Resources	10
Grants to Voluntary Organisations	Resources	10
Follow up of audits		44
<b>Total Departmental Risk Register Audits</b>		<b>509</b>
<b>COMPUTER AUDITS</b>		
Security Management	Resources	20
Security of Remote Working Arrangements	Resources	10
Operating System	Resources	10
Software Licensing (FAST)	Resources	10
Application Support	Resources	10
Cyber	Resources	20
Follow up of audits		10
<b>Total Computer Audits</b>		<b>90</b>
<b>CONTRACT AUDITS</b>		
CCTV Procurement	Resources	10

2020/21 Annual Audit Plan	Department	Audit Days
Telephony Procurement	Resources	10
Capital programme - Regeneration	Place	10
Emergency and Temporary Accommodation (Phase 3) (incl. VFM)	Resources	20
Buying Team	Resources	10
Follow-up of audits		10
<b>Total Contract Audits</b>		<b>70</b>
<b>SCHOOLS AUDITS</b>		
<b>Primary &amp; Nursery Schools</b>		
Tunstall Nursery School	Children, Families and Education	5.5
Thornton Health Early Years Centre	Children, Families and Education	5.5
Forestdale Primary School	Children, Families and Education	5.5
Greenvale Primary School	Children, Families and Education	5.5
Purley Oaks Primary School	Children, Families and Education	5.5
Smitham Primary School	Children, Families and Education	5.5
Winterbourne Nursey and Infants School	Children, Families and Education	5.5
<b>Secondary Schools</b>		
Archbishop Tennisons High School	Children, Families and Education	7.5
Thomas Moore High School	Children, Families and Education	7.5
<b>PRU's &amp; Special Schools</b>		
St Giles	Children, Families and Education	5.5
St Nicholas	Children, Families and Education	5.5
Red Gates	Children, Families and Education	5.5
Follow-up of Schools audits		14
<b>Total Schools Audits</b>		<b>84</b>
<b>CONTINGENCY</b>		
Contingency for fraud including NFI and ad hoc work		25
Contingency for Grant Claims		10
<b>Total Contingency</b>		<b>35</b>
<b>ADMIN AND MANAGEMENT</b>		
<b>Total Admin and Management</b>		<b>40</b>
<b>GRAND TOTAL BUDGET</b>		<b>1054</b>

## Appendix 7 - Statement of Responsibility

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

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

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

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

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