



# London Borough of Croydon

## Internal Audit Report for the period

### 1 April 2017 to 31 January 2018

#### **Status of Our Reports**

This report ('Report') was prepared by Mazars Public Sector Internal Audit Limited at the request of the 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 work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, we 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 the London Borough of Croydon and to the fullest extent permitted by law, Mazars Public Sector Internal Audit Limited 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 set out in appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

## Internal Audit activity

1. During the first ten months of the 2017/18 financial year the following work has been delivered:

- 75% of the 2017/18 planned audit days have been delivered
- 91 (95%) planned audits (excluding ad hoc and fraud work) commenced, either by setting up the files, attending scope meetings or by performing the audits. This was made up of:-
  - 54 system audits commenced and/or were completed;
  - 26 probity audits commenced and/or were completed; and,
  - 11 computer audits commenced and/or were completed.

In addition:

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

### Internal Audit Performance

2. To help ensure that the internal audit plan supported the Risk Management Framework and therefore the Council Assurance Framework, the 2017/18 internal audit plan was substantially informed by the risk registers. The 2017/18 internal audit plan was presented to the General Purposes and Audit Committee on 22 March 2017.
3. Work on the 2017/18 audit plan commenced in April 2017 and delivery is now well underway.
4. Table 1 details the performance for the 2017/18 audit plan against the Council's targets. At 31 January 2018 Internal Audit had delivered 75% of the planned audit days and 56% of the planned draft reports. Although the planned drafts are behind target, there are a number of audits where the reports are close to being issued and, as is evident from the 91 (95%) audits in progress or completed above, we are still well placed for completing 100% of the audit plan by 31 March 2018.

**Table 1: Performance against targets**

Performance Objective	Annual Target	Year to Date Target	Year to Date Actual	Performance
% of planned 2017-18 audit days delivered	100%	79%	<b>75%</b>	▼
Number of 2017-18 planned audit days delivered	1037	819	<b>774</b>	▼
% of 2017-18 planned draft reports issued	100%	65%	<b>56%</b>	▼
Number of 2017-18 planned draft reports issued	96	62	<b>54</b>	▼
% of draft reports issued within 2 weeks of exit meeting	85%	85%	<b>89%</b>	▲
2017/18 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	<b>69%</b>	▼
2017/18 % of all recommendations implemented at the time of the follow up audit	80%	80%	<b>80%</b>	►
2016/17 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	<b>83%</b>	▼
2016/17 % of all recommendations implemented at the time of the follow up audit	80%	80%	<b>85%</b>	▲

Performance Objective	Annual Target	Year to Date Target	Year to Date Actual	Performance
2015/16 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	<b>86%</b>	▼
2015/16 % of priority all recommendations implemented at the time of the follow up audit	80%	80%	<b>88%</b>	▲
2014/15 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	<b>96%</b>	▲
2014/15 % of all recommendations implemented at the time of the follow up audit	80%	80%	<b>94%</b>	▲
% of qualified staff engaged on audit	40%	40%	<b>41%</b>	▲

### Audit Assurance

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

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

6. Table 2 lists the 2017-18 audits for which final reports were issued from 1 April to 31 January 2018. Details of the key issues arising from these reports are shown in Appendix 1.

**Table 2: 2017-18 Final audit reports issued from 1 April 2017 to 31 January 2018:**

Audit Title	Risk Level	Assurance Level	Planned Year
<b>Non-school audits</b>			
Abandoned Vehicles	High	No	2017/18
Mayors Charity	High	No	2017/18
Pay and Display Income Collection	High	Limited	2017/18
Deprivation of Liberty Safeguards	High	Limited	2017/18
Direct Payments	High	Limited	2017/18
Registrars	High	Limited	2017/18
Food Safety	High	Limited	2017/18

Audit Title	Risk Level	Assurance Level	Planned Year
Payments to Schools	High	Substantial	2017/18
CALAT – Income Collection	High	Substantial	2017/18
Schools Forum	High	Substantial	2017/18
Youth Offending Service	High	Substantial	2017/18
Bridges and Infrastructure	High	Substantial	2017/18
Place Review Panel (Planning Pre-Application Advice Panel)	High	Substantial	2017/18
Street Trading – Income Collection	High	Substantial	2017/18
Transport Fleet Management	High	Substantial	2017/18
Pension Fund – Admitted and Scheduled Bodies	High	Substantial	2017/18
Anti-Virus and Malware	High	Full	2017/18
<b>School audits</b>			
The Minster Nursery and Infant School	Medium	Limited	2017/18
Elmwood Infant School	Medium	Limited	2017/18
Norbury Manor Primary School	Medium	Limited	2017/18
Purley Nursery	Medium	Substantial	2017/18
All Saints C of E Primary School	Medium	Substantial	2017/18
Elmwood Junior School	Medium	Substantial	2017/18
Heavers Farm Primary	Medium	Substantial	2017/18
Howard Primary School	Medium	Substantial	2017/18
Margaret Roper Primary School	Medium	Substantial	2017/18
Purley Oaks Primary School	Medium	Substantial	2017/18
Selsdon Primary School	Medium	Substantial	2017/18
Saffron Valley	Medium	Substantial	2017/18

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

- During 2017/18 in response to the Council's follow-up requirements, Internal Audit has continued following-up the status of the implementation of the 2014/15, 2015/16, 2016/17 and 2017/18 audits.
- Follow-up audits are undertaken to ensure that all the recommendations raised have been successfully implemented according to the action plans agreed with the service managers. The Council's target for audit recommendations implemented at the time of the follow-up audit is 80% for all priority 2 & 3 recommendations and 90% for priority 1 recommendations.

Performance Objective	Target	Performance (to date*)				
		2013/14	2014/15	2015/16	2016/17	2017/18
Percentage of priority one recommendation implemented at the time of the follow up audit	90%	100%	96%	86%	83%	69%
Percentage of all recommendations implemented at the time of the follow up audit	80%	96%	94%	88%	85%	80%

The follow ups for 2013/14 are now complete. The results of those for 2014/15, 2015/16, and 2016/17 and 2017/18 audits that have been followed up are included in Appendixes 2, 3, 4 and 5 respectively.

9. Appendix 2 shows the follow-up audits of 2014/15 audits undertaken to date and the number of recommendations raised and implemented. 94% of the total recommendations were found to have been implemented and 96% of the priority 1 recommendations which have been followed up have been implemented. The outstanding priority 1 recommendations are detailed below:

Audit Title	Executive Director Responsible	Risk Level	Assurance Level	Summary of issues arising in priority 1 recommendations
Substance Misuse	Richard Simpson	High	Limited	<p>A priority 1 recommendation was raised as it was established that care file reviews were not carried out for cases on the AIS system.</p> <p>A priority 1 recommendation was raised as no exception reports were being run on the AIS system, to allow the appropriate monitoring of substance misuse cases, despite there being the functionality for this.</p>

10. Appendix 3 shows the follow-up audits of 2015/16 audits undertaken to date and the number of recommendations raised and implemented. 88% of the total recommendations were found to have been implemented and 86% of the priority 1 recommendations which have been followed up have been implemented. The outstanding priority 1 recommendations are detailed below:

Audit Title	Executive Director Responsible	Risk Level	Assurance Level	Summary of issues arising in priority 1 recommendations
EMS Application	Richard Simpson	High	Limited	A recommendation was raised due to the absence of an effective disaster recovery plan for the EMS application. The response to the follow up is that this is being worked on with Capita and a solution planned for April 2018.
Adoption	Barbara Peacock	High	Limited	A recommendation was raised as the weekly adoption payment runs were not being checked for accuracy and to ensure no inappropriate payments made.
ICT ~Service Delivery ITIL Framework	Richard Simpson	High	Limited	<p>A recommendation was raised as it was identified that the development of an appropriate Business Impact Review (BIR) to assist in the design of both the IT Service Disaster Recovery Plan (DRP) and the associated Business Continuity Plan (BCP) are currently at an embryonic stage and no DRP or BCP solutions have been recently tested as effective.</p> <p>The response to the follow up is that this is being worked on with Capita and a solution planned for April 2018.</p>

11. Appendix 4 shows the 2016/17 follow-up audits undertaken to date and the number of recommendations raised and implemented. 85% of the total recommendations were found to have been implemented and 83% of the priority 1 recommendations which have been followed up have been implemented. The outstanding priority 1 recommendations are detailed below:

Audit Title	Executive Director Responsible	Risk Level	Assurance Level	Summary of issues arising in priority 1 recommendations
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Audit Title	Executive Director Responsible	Risk Level	Assurance Level	Summary of issues arising in priority 1 recommendations
Adult Social Care – Caseload Management	Barbara Peacock	High	Limited	A priority 1 recommendation was raised as examination of the 'Caseload Pressures Reporting', dated 20 September 2016 identified that there were a significant number of cases on the respective team waiting lists, i.e. cases not yet assigned to a case worker. There were further cases on the Centralised Duty team waiting list, i.e. cases not yet assigned to the respective teams.  Discussion with the Team Managers of the OP North and South teams confirmed that no priority 1 cases were on the waiting lists; however, as some cases had been on the waiting lists for some time the initial priority assigned to these cases may no longer be appropriate.
Adult Self-Funding and Deferred Payments	Barbara Peacock	High	Limited	A priority 1 recommendation was raised as sample testing of 9 clients in the Deferred Payments Scheme identified that evidence of appropriate insurance cover over the property of five of the clients was not available
Disabled Facilities Grants	Barbara Peacock	High	Limited	A priority 1 recommendation was raised as although the works for each disabled facility grant is awarded through a mini-tender exercise, due to the value of the annual aggregated expenditure with some contractors, there is noncompliance with the Councils Tenders and Contracts regulations,
Virgo Fidelis Convent Senior School	Barbara Peacock	Med	Limited	A priority 1 recommendation was raised as the pupil numbers and some of the estimates of costs and income in the Schools 10 year budget plan need to be critically reviewed.

12. Appendix 5 shows the 2017/18 follow-up audits undertaken to date and the number of recommendations raised and implemented. 80% of the total recommendations were found to have been implemented and 69% of the priority 1 recommendations which have been followed up have been implemented. The outstanding priority 1 recommendations are detailed below:

Audit Title	Executive Director Responsible	Risk Level	Assurance Level	Summary of issues arising in priority 1 recommendations
Food Safety	Shifa Mustafa	High	Limited	Two priority 1 issues were raised as sample testing identified that not all new establishments were being sent data collection forms in a timely manner or being inspected in a timely manner. A third priority 1 issue was raised as not all high risk rated establishments were being inspected within required timeframes.  The response to the first follow up demonstrated that, while actions were being taken, the identified issues were not yet fully resolved.
Pay and Display Meter Maintenance and Income Collection	Shifa Mustafa	High	Limited	A priority 1 issue was raised the contract between NSL and the Council expired in 2015.
Abandoned Vehicles	Shifa Mustafa	High	Limited	A priority 1 issue was raised as the records of reported abandoned vehicles on the Access 2003 database was incomplete, with images, links to '7 day' notices and the dates removed and outcomes not always being recorded.  A priority 1 issue was raised as although the estimated contract value for abandoned vehicle removal is over £160k, there has been no tendering for this service and there is no contract in place between Tran-Support and the Council.

## Appendix 1 - Key issues from 2017/18 finalised audits

Audit Title	Risk Level	Assurance Level & Number of Issues	Summary of key issues raised.
<b>Non School Audits</b>			
Mayor's Charity	High	No (Five priority 1, six priority 2 and 2 priority 3 issues)	<p>Priority 1 issues were raised because:</p> <ul style="list-style-type: none"> <li>• Meetings were not being held in accordance with the 'Trust Deed Dated 31 March 1994'.</li> <li>• The funds collected for the previous mayor had not yet all been received and disbursed at the time of audit.</li> <li>• Sample testing found that the Income and Expenditure spreadsheet used to monitor payments into and out of the Mayor's Charity fund was not complete.</li> <li>• Bank reconciliations were not being performed on a regular basis.</li> <li>• There was no evidence that an annual report was prepared, approved or submitted to the Charity Commission.</li> </ul>
Abandoned Vehicles	High	No (Four priority 1 and six priority 2 issues)	<p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> <li>• The records of reported abandoned vehicles on the Access 2003 database was incomplete, with images, links to '7 day' notices and the dates removed and outcomes not always being recorded.</li> <li>• Although the estimated contract value for abandoned vehicle removal is over £160k, there has been no tendering for this service and there is no contract in place between Tran-Support and the Council.</li> <li>• Invoices from the contractor are being receipted for payment without evidence of removed vehicles being obtained and without communication with the Abandoned Vehicle Service team to ascertain which vehicles should have been removed.</li> <li>• There is no monitoring of instructions to Tran-Support to remove vehicles to ensure that these instructions are acted upon in a timely manner.</li> </ul>
Deprivation of Liberty Safeguards (DoLS)	High	Limited (Two priority 1 and Two priority 2 issues)	<p>A priority 1 issue was raised as the statutory requirement to complete MCA DoLS assessments within 21 days was not being met.</p> <p>A priority 1 issue was raised as the DoLS Year 8 tracker for 2016/17 cases was not up-to-date, including incomplete or blank data fields.</p>
Direct Payments	High	Limited (One priority 1, two priority 2 and one priority 3 issue)	A priority 1 issue was raised as the Personal Budget Direct Payment Agreements do not have a fraud declaration or 'fair processing' notice.
Registrars	High	Limited (One priority 1, two priority 2 and three priority 3 issues)	A priority 1 issue was raised as appropriate records of stock issued, income collected and refunds issued were not being maintained by all of the Registrars and independent reconciliations of the records to the daily cash summary sheets was not being conducted.
Food Safety	High	Limited (Three priority 1, six priority 2 and two priority 3 issues)	<p>A priority 1 issue was raised as examination of the documentation for a sample of ten new establishments found that seven had not been sent a data collection form, one had the form sent 113 days after registering and another 102 days after registering.</p> <p>A priority 1 issue was raised as nine out of the ten new establishments sampled had not yet been inspected and the remaining establishment was only inspected 59 days after it opened.</p> <p>A priority 1 issue was also raised as four out of six establishments with a high risk rating (A) and 30 out of 63 with a B rating were not inspected within the required timeframes set by the Food Standards Authority. It was</p>

Audit Title	Risk Level	Assurance Level & Number of Issues	Summary of key issues raised.
<b>Non School Audits</b>			
			further noted that 612 establishments were registered and due an inspection but these had not been conducted.
Pay and Display Meter Maintenance and Income Collection	High	Limited (Two priority 1, one priority 2 and one priority three issue)	A priority 1 issue was raised as the contract between NSL and the Council expired in 2015. A priority 1 issue was raised as none of the seven sampled variances between the pay and display meter readings and corresponding cash collections had been evidenced as investigated.
Payments to Schools	High	Substantial (Four priority 2 and one priority 3 issue)	No priority 1 issues raised.
CALAT – Income Collection	High	Substantial (Four priority 2 and two priority 3 issues).	No priority 1 issues raised.
Schools Forum	High	Substantial (One priority issue).	No priority 1 issues raised.
Youth Offending Service	High	Substantial (Three priority 2 issues)	No priority 1 issues raised.
Bridges and Infrastructure	High	Substantial (Two priority 2 and one priority 3 issue)	No priority 1 issues raised.
Place Review Panel (Planning Pre-Application Advice Panel)	High	Substantial (One priority 2 and two priority 3 issues raised)	No priority 1 issues raised.
Street Trading – Income Collection	High	Substantial (Eight priority 2 and one priority 3 issue)	No priority 1 issues raised.
Pension Fund – Admitted and Scheduled Bodies	High	Substantial (Three priority 2 and one priority 3 issue)	No priority 1 issues raised.
Transport – Fleet Management	High	Substantial (Three priority 2 issues)	No priority 1 issues raised.
Anti-Virus and Malware	High	Full	No issues raised.
Audit Title	Risk Level	Assurance Level & Number of Recommendations	Summary of key issues raised.
<b>School Audits</b>			
The Minster Nursery and Infant School	Med	Limited ((Two priority 1, ten priority 2 and five priority 3 recommendations)	A priority 1 recommendation was raised as from a sample of 15 purchases sampled from the School's disbursement account, it was identified that in 12 cases there was no evidence that goods or services received checks had been undertaken. A priority 1 recommendation was raised as the School has out of date Health & Safety certificates. The School's Legionella Risk Assessment was dated October 2013 and the Chlorination certificate was dated 29 October 2015.



Audit Title	Risk Level	Assurance Level & Number of Recommendations	Summary of key issues raised.
<b>School Audits</b>			
Elmwood Infant School	Med	Limited (Two priority 1, seven priority 2 and five priority 3 recommendations)	A priority 1 recommendation was raised as barred list and DBS checks had not been conducted in a timely manner for some staff and governors. A priority 1 the Schools procurement cards were not obtained via the Council as required and were not evidenced as approved by the Governing Body.
Norbury Manor Primary School	Med	Limited (Two priority 1, seven priority 2 and five priority 3 recommendations)	A priority 1 recommendation was raised as the approved and signed Governing Body and Finance and Personnel Committee minutes were not available for 16/17 and 17/18 A priority 1 recommendation was raised as 14 out of the sample of 15 transactions sampled were not evidenced as appropriately approved for payment.
Purley Nursery	Med	Substantial (Two priority 2 and two priority 3 recommendations)	No priority 1 recommendations raised.
All Saints C of E Primary School	Med	Substantial (Five priority 2 and three priority 3 recommendations)	No priority 1 recommendations raised.
Elmwood Junior School	Med	Substantial (One priority 2 and 2 priority 3 recommendations)	No priority 1 recommendations raised.
Heavers Farm Primary	Med	Substantial (Five priority 2 and five priority 3 recommendations)	No priority 1 recommendations raised.
Howard Primary School	Med	Substantial (Seven priority 2 and six priority 3 recommendations)	No priority 1 recommendations raised.
Margaret Roper Catholic Primary School	Med	Substantial (Nine priority 2 and seven priority 3 recommendations)	No priority 1 recommendations raised.
Purley Oaks Primary	Med	Substantial (Four priority 2 and three priority 3 recommendations)	No priority 1 recommendations raised.
Selsdon Primary School	Med	Substantial (Four priority 2 and five priority 3 recommendations)	No priority 1 recommendations raised.
Saffron Valley	Med	Substantial (Two priority 2 and four priority 3 recommendations)	No priority 1 recommendations raised.

## Appendix 2 - Follow-up of 2014/15 audits (with outstanding recommendations only)

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
<b>Non School Audits</b>							
2014/15	Substance Misuse	Barbara Peacock	High	Limited (3rd follow up in progress)	7	4	57%
2014/15	Contract Management Framework	Richard Simpson	High	Substantial (2 <sup>nd</sup> follow up in progress)	7	0	0%
<b>Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>255</b>	<b>247</b>	<b>97%</b>
<b>Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>27</b>	<b>25</b>	<b>93%</b>
<b>School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>271</b>	<b>248</b>	<b>92%</b>
<b>School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>29</b>	<b>29</b>	<b>100%</b>
<b>Recommendations and implementation from audits that have had responses</b>					<b>526</b>	<b>495</b>	<b>94%</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>56</b>	<b>54</b>	<b>96%</b>

## Appendix 3 - Follow-up of 2015/16 audits

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
<b>Non School Audits</b>							
2015/16	Contract Management & Governance of Croydon Care Solutions	Barbara Peacock	High	No (No further follow up planned)	9	9	100%
2015/16	Contract Management & Governance of Adult Social Care Providers	Barbara Peacock	High	Limited (No further follow up planned)	6	5	83%
2015/16	Performance Monitoring Adult Social Care	Barbara Peacock	High	Limited (1 <sup>st</sup> follow up in progress)	9	-	-
2015/16	Food Flagship Initiative	Barbara Peacock	High	Limited (No further follow up planned)	9	8	89%
2015/16	Staff Car parking and Corresponding Allowances	Richard Simpson	High	Limited (No further follow up planned)	6	5	84%
2015/16	Use of Pool Cars (Zipcar)	Richard Simpson	High	Limited (No further follow up planned)	4	4	100%
2015/16	Employee Expenses (via One Oracle)	Richard Simpson	High	Limited (No further follow up planned)	6	6	100%
2015/16	Adoption	Barbara Peacock	High	Limited (2 <sup>nd</sup> follow up in progress)	4	1	25%
2015/16	Fostering	Barbara Peacock	High	Limited (3 <sup>rd</sup> follow up in progress)	5	2	40%
2015/16	Software Licensing	Richard Simpson	High	Limited (No further follow up planned)	8	8	100%
2015/16	EMS Application	Richard Simpson	High	Limited (5 <sup>th</sup> follow up in progress)	4	1	25%
2015/16	Old Town Building Frontages	Shifa Mustafa	High	Limited (No further follow up planned)	5	5	100%
2015/16	ICT Service Delivery ITIL Framework	Richard Simpson	High	Limited (2 <sup>nd</sup> follow up in progress)	2	1	50%
2015/16	ICT Mobile Devices	Richard Simpson	High	Limited (No further follow up planned)	8	7	88%
2016/16	Cyber Security	Richard Simpson	High	Limited (No further follow up planned)	2	2	100%
2015/16	Council Tax	Richard Simpson	High	Substantial (No further follow up planned)	4	4	100%
2015/16	NDR – Non Domestic Rates	Richard Simpson	High	Substantial	3	3	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
				(No further follow up planned)			
2015/16	Payments to Schools	Richard Simpson	High	Substantial (No further follow up planned)	3	3	100%
2015/16	Cultural Direction	Richard Simpson	High	Substantial (2nd follow up in progress)	1	0	0%
2015/16	Locality Early Help	Barbara Peacock	High	Substantial (No further follow up planned)	9	8	89%
2015/16	Looked After Children (placed in another LA area)	Barbara Peacock	High	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2015/16	Youth Offending Service	Barbara Peacock	High	Substantial (No further follow up planned)	4	4	100%
2015/16	Care Act 2014	Barbara Peacock	High	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
2015/16	Better Care Fund	Barbara Peacock	High	Substantial (No further follow up planned)	7	7	100%
2015/16	Childcare Provision	Barbara Peacock	High	Substantial (No further follow up)	6	5	83%
2015/16	Integrated Commissioning	Barbara Peacock	High	(3rd follow up in progress)	3	2	66%
2015/16	Member Ethics and Transparency	Richard Simpson	High	Substantial (No further follow up planned)	2	2	100%
2015/16	Connected Croydon – Programme and Project Management	Shifa Mustafa	High	Substantial (2nd follow up in progress)	4	2	50%
2015/16	People Gateway Programme	Barbara Peacock	High	Substantial (No further follow up planned)	4	4	100%
2015/16	NHS Partnership with Public Health	Barbara Peacock	High	Substantial (No further follow up planned)	6	5	84%
2015/16	Asset Sales	Richard Simpson	High	Substantial (No further follow up planned)	6	5	83%
2015/16	Croydon Challenge (Programme Management)	Richard Simpson	High	Substantial (No further follow up planned)	6	5	84%
2015/16	Risk Management	Richard Simpson	High	Substantial (No further follow up planned)	1	1	100%
2015/16	EMS Data Quality	Shifa Mustafa	High	Substantial (No further follow up planned)	4	4	100%
2015/16	Pension Fund Admitted Bodies	Richard Simpson	High	Substantial	1	1	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
				(No further follow up planned)			
2015/16	Interserve – Fire Safety and Health and Safety Assessments	Richard Simpson	High	Substantial (No further follow up planned)	11	10	90%
2015/16	Public Consultations	Richard Simpson	High	Substantial (No further follow up planned)	1	1	100%
2015/16	Street Lighting	Shifa Mustafa	High	Substantial (No further follow up planned)	3	3	100%
2015/16	Waste Contract Management	Shifa Mustafa	High	Substantial (No further follow up planned)	3	3	100%
2015/16	Planning Enforcement	Shifa Mustafa	High	Substantial (No further follow up planned)	2	2	100%
2015/16	School Capital Delivery	Shifa Mustafa	High	Substantial (No further follow up planned)	5	4	80%
2015/16	Housing Capital Delivery	Shifa Mustafa	High	Substantial (No further follow up planned)	4	4	100%
2015/16	Waste Recycling	Shifa Mustafa	High	Substantial (3 <sup>rd</sup> follow up in progress)	3	0	0%
2015/16	One Oracle Back Office	Richard Simpson	High	Substantial (No further follow up planned)	2	2	100%
2015/16	Internal Network	Richard Simpson	High	Substantial (2nd follow up in progress)	2	1	50%
2015/16	Cyber Security	Richard Simpson	High	Assurance n/a (no further follow up planned)	2	2	100%
2015/16	Procurement of Consultants – South Norwood Public Realm Lead Design	Shifa Mustafa	High	Substantial (No further follow up planned)	1	1	100%
2015/16	Clocktower and Town Hall Replacement Works	Richard Simpson	High	Substantial (No further follow up planned)	6	5	84%
2015/16	Wandle Park pavilion Works	Shifa Mustafa	High	Substantial (No further follow up planned)	4	4	100%
2015/16	EU Procurement Directives	Richard Simpson	High	Substantial (2nd follow up in progress)	2	0	0
2015/16	SEN Transport Contract	Richard Simpson	High	Substantial (No further follow up planned)	6	6	100%
<b>Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>206</b>	<b>177</b>	<b>86%</b>
<b>Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>22</b>	<b>19</b>	<b>86%</b>

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
<b>School Audits</b>							
2015/16	Beulah Junior	Barbara Peacock	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	Elmwood Junior	Barbara Peacock	Medium	Substantial (No further follow up planned)	1	1	100%
2015/16	Gilbert Scott	Barbara Peacock	Medium	Substantial (No further follow up planned)	1	1	100%
2015/16	Howard Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	Kingsley	Barbara Peacock	Medium	Substantial (No f/up - recs implemented at final report)	4	4	100%
2015/16	The Minster Junior	Barbara Peacock	Medium	Substantial (2 <sup>nd</sup> follow up in progress)	2	0	0%
2015/16	Purley Oaks Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	6	6	100%
2015/16	Rockmount	Barbara Peacock	Medium	Substantial (No f/up recs implemented at final report)	1	1	100%
2015/16	Selsdon	Barbara Peacock	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	St Chad's RC Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	10	10	100%
2015/16	Winterbourne Infant & Nursery	Barbara Peacock	Medium	Substantial (No further follow up)	4	4	100%
2015/16	Winterbourne Junior Girls	Barbara Peacock	Medium	Substantial (No further follow up)	2	2	100%
2015/16	Wolsey Infants	Barbara Peacock	Medium	Substantial (No further follow up)	4	4	100%
2015/16	St Joseph's RC Federation	Barbara Peacock	Medium	Substantial (No further follow up)	3	3	100%
<b>School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>50</b>	<b>48</b>	<b>96%</b>
<b>School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>0</b>	<b>0</b>	<b>N/a</b>
<b>Recommendations and implementation from audits that have had responses</b>					<b>256</b>	<b>225</b>	<b>88%</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>22</b>	<b>19</b>	<b>86%</b>

## Appendix 4 - Follow-up of 2016/17 audits

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
<b>Non School Audits</b>							
2016/17	Adult Care Packages	Barbara Peacock	High	Limited (1 <sup>st</sup> follow up in progress)	7	-	-
2016/17	ASC Caseload Management	Barbara Peacock	High	Limited (2 <sup>nd</sup> follow up in progress)	7	4	57%
2016/17	Adult Self-Funding and Deferred Payments	Barbara Peacock	High	Limited (5 <sup>th</sup> follow up in progress)	8	6	75%
2016/17	Client Management of Octavo Partnership	Barbara Peacock	High	Limited (No further follow up)	6	6	100%
2016/17	Disabled Facilities Grants	Barbara Peacock	High	Limited (4 <sup>th</sup> follow up in progress)	12	11	92%
2016/17	Pathways to Employment – Jobs Brokerage	Shifa Mustafa	High	Limited (No further follow up)	8	7	88%
2016/17	Procurement of Consultants – Caterham Bourne	Shifa Mustafa	High	Limited (No further follow up)	8	7	88%
2016/17	Facilities Management – Contract Cleaning	Richard Simpson	High	Limited (No further follow up)	7	7	100%
2016/17	Housing Benefits	Richard Simpson	High	Substantial (No further follow up)	4	4	100%
2016/17	Housing Rents and Accounting	Barbara Peacock	High	Substantial (No further follow up)	7	6	86%
2016/17	Housing Repairs	Shifa Mustafa	High	Substantial (No further follow up)	4	4	100%
2016/17	Payments to Schools	Richard Simpson	High	Substantial (No further follow up)	4	4	100%
2016/17	Payroll	Richard Simpson	High	Substantial (No further follow up)	3	3	100%
2016/17	Pension Fund Investments	Richard Simpson	High	Substantial (No further follow up)	4	4	100%
2016/17	Declarations of Interests, Gifts and Hospitality	Richard Simpson	High	Substantial (No further follow up)	7	7	100%
2016/17	Sickness Absence	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	5	-	-

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2016/17	HMRC Compliance	Richard Simpson	High	Substantial (3 <sup>rd</sup> follow up in progress)	5	3	60%
2016/17	Empty Property Grants	Barbara Peacock	High	Substantial (No further follow up)	6	6	100%
2016/17	Housing Registration and Allocation	Barbara Peacock	High	Substantial (3 <sup>rd</sup> follow up in progress)	8	6	75%
2016/17	Top 50 Families Review	Barbara Peacock	High	Substantial (No further follow up)	3	3	100%
2016/17	Anti-Social Behaviour	Shifa Mustafa	High	Substantial (3 <sup>rd</sup> follow up in progress)	9	4	44%
2016/17	Household Green Waste	Shifa Mustafa	High	Substantial (No further follow up)	5	5	100%
2016/17	Flood Management Plan	Shifa Mustafa	High	Substantial (No further follow up)	7	6	86%
2016/17	Licensing Income	Shifa Mustafa	High	Substantial (3 <sup>rd</sup> follow up in progress)	2	1	50%
2016/17	Prevent Agenda	Shifa Mustafa	High	Substantial (No further follow up)	1	1	100%
2016/17	Project Assurance (Place)	Shifa Mustafa	High	Substantial (1 <sup>st</sup> follow up in progress)	3	-	-
2016/17	Regeneration Partnership	Shifa Mustafa	High	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
2016/17	S106 Negotiating, Charging and Funding	Shifa Mustafa	High	Substantial (No further follow up)	3	3	100%
2016/17	Selective Licensing	Shifa Mustafa	High	Substantial (No further follow up)	5	5	100%
2016/17	Clinical Governance	Barbara Peacock	High	Substantial (3 <sup>rd</sup> follow up in progress)	3	0	0%
2016/17	Commercial use of Bernard Weatherill House	Richard Simpson	High	Substantial (No further follow up)	3	3	100%
2016/17	Debt Recovery and use of Bailiffs	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
2016/17	Fairfield Delivery	Shifa Mustafa	High	Substantial (2 <sup>nd</sup> follow up in progress)	2	0	0%
2016/17	MOU _ Clinical Commissioning Group	Barbara Peacock	High	Substantial	4	0	0%



Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
				(2 <sup>nd</sup> follow up in progress)			
2016/17	Public Health Integration Funding	Barbara Peacock	High	Substantial (2 <sup>nd</sup> follow up in progress)	5	0	0%
2016/17	Hyperion Application	Richard Simpson	High	Substantial (No further follow up)	9	8	89%
2016/17	Citrix Security	Richard Simpson	High	Substantial (No further follow up)	2	2	100%
2016/17	Windows Operating System Security	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	5	-	-
2016/17	Cloud Services and Solutions Azure	Richard Simpson	High	Substantial (No further follow up)	3	3	100%
2016/17	Members- Bring Your Own Devices (BYOD)	Richard Simpson	High	Substantial (No further follow up)	3	3	100%
2016/17	Service Desk	Richard Simpson	High	Substantial (No further follow up)	6	5	83%
2016/17	WAN Connectivity	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	6	-	-
2016/17	Intranet and Internet Security	Richard Simpson	High	Substantial (2 <sup>nd</sup> follow up in progress)	2	1	50%
2016/17	Service and Maintenance of Fire Alarm and Emergency Lighting	Shifa Mustafa	High	Substantial (No further follow up)	2	2	100%
<b>Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>187</b>	<b>150</b>	<b>80%</b>
<b>Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>17</b>	<b>14</b>	<b>79%</b>
<b>School Audits</b>							
2016/17	The Hayes Primary	Barbara Peacock	Medium	Limited (No further follow up)	12	11	92%
2016/17	Regina Coeli RC primary	Barbara Peacock	Medium	Limited (No further follow up)	7	6	86%
2016/17	Selhurst Children's Centre	Barbara Peacock	Medium	Limited (1 <sup>st</sup> follow up in progress)	20	-	-
2016/17	St Andrew's C of E High	Barbara Peacock	Medium	Limited (1 <sup>st</sup> follow up in progress)	19	-	-
2016/17	Virgo Fidelis Convent Senior School	Barbara Peacock	Medium	Limited (2 <sup>nd</sup> follow up in progress)	12	9	75%

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2016/17	Bensham Manor MLD Secondary	Barbara Peacock	Medium	Limited (1 <sup>st</sup> follow up in progress)	15	-	-
2016/17	Christ Church CE Primary	Barbara Peacock	Medium	Substantial (No further follow up)	4	4	100%
2016/17	Coulsdon C of E Primary	Barbara Peacock	Medium	Substantial (No further follow up)	2	2	100%
2016/17	Courtwood Primary	Barbara Peacock	Medium	Substantial (No further follow up)	2	2	100%
2016/17	Forestdale Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	3	3	100%
2016/17	Greenvale Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	6	6	100%
2016/17	Kenley Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	7	7	100%
2016/17	Kensington Avenue Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	6	5	83%
2016/17	Keston Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	13	11	84%
2016/17	Monks Orchard Primary School	Barbara Peacock	Medium	Substantial (No further follow up planned)	2	2	100%
2016/17	Orchard Way Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	12	10	83%
2016/17	Park Hill Junior	Barbara Peacock	Medium	Substantial (No further follow up planned)	1	1	100%
2016/17	Park Hill Infants	Barbara Peacock	Medium	Substantial (No further follow up planned)	1	1	100%
2016/17	Ridgeway Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	3	3	100%
2016/17	Smitham Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	6	6	100%
2016/17	Archbishop Tenison's Cof E	Barbara Peacock	Medium	Substantial (No further follow up)	8	7	88%
2016/17	Thomas More	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2016/17	Redgates SLD & Autism	Barbara Peacock	Medium	Substantial (No further follow up)	11	9	82%
2016/17	St Giles School	Barbara Peacock	Medium	Substantial (No further follow up)	9	9	100%
2016/17	St Nicholas MLD & Autism Primary	Barbara Peacock	Medium	Substantial (No further follow up)	6	6	100%
2016/17	Downsview Primary	Barbara Peacock	Medium	Full (n/a)	0	0	0%
2016/17	Gresham Primary	Barbara Peacock	Medium	Full (No further follow up)	1	1	100%
2016/17	St John's C of E Primary	Barbara Peacock	Medium	Full (No further follow up)	2	2	100%
2016/17	Beckmead School	Barbara Peacock	Medium	Full (No further follow up)	4	4	100%
<b>School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>140</b>	<b>127</b>	<b>91%</b>
<b>School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>6</b>	<b>5</b>	<b>83%</b>
<b>Recommendations and implementation from audits that have had responses</b>					<b>327</b>	<b>277</b>	<b>85%</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>23</b>	<b>19</b>	<b>83%</b>

## Appendix 5 - Follow-up of 2017-18 audits

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
<b>Non School Audits</b>							
2017/18	Mayors Charity	Julian Ellerby	High	No (1 <sup>st</sup> follow up in progress)	13	-	-
2017/18	Abandoned Vehicles	Shifa Mustafa	High	No (2 <sup>nd</sup> follow up in progress)	10	7	70%
2017/18	Deprivation of Liberty Safeguards	Barbara Peacock	High	Limited (No further follow up)	4	4	100%
2017/18	Registrars	Barbara Peacock	High	Limited (No further follow up)	6	6	100%
2017/18	Food Safety	Shifa Mustafa	High	Limited (3 <sup>rd</sup> follow up in progress)	11	6	55%
2017/18	Pay and Display Meter Maintenance and Income Collection	Shifa Mustafa	High	Limited (2 <sup>nd</sup> follow up in progress)	4	3	75%
2017/18	CALAT Income Collection	Shifa Mustafa	High	Substantial (2 <sup>nd</sup> follow up in progress)	6	3	50%
2017/18	Youth Offending service	Barbara Peacock	High	Substantial (No further follow up)	3	3	100%
2017/18	Place Review Panel	Shifa Mustafa	High	Substantial (1 <sup>st</sup> follow up in progress)	-	-	-
2017/18	Admitted Bodies	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	4	-	-
<b>Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>44</b>	<b>32</b>	<b>73%</b>
<b>Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>12</b>	<b>7</b>	<b>58%</b>
<b>School Audits</b>							
2017/18	Elmwood Infants School	Barbara Peacock	Medium	Limited (No further follow up)	14	14	100%
2017/18	The Minster Nursery and Infant School	Barbara Peacock	Medium	Limited (No further follow up)	17	15	89%
2017/18	Norbury Manor	Barbara Peacock	Medium	Limited (1 <sup>st</sup> follow up in progress)	12	-	-
2017/18	Purley Nursery	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	4	-	-
2017/18	All Saints C of E Primary	Barbara Peacock	Medium	Substantial	8	-	-

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
				(1 <sup>st</sup> follow up in progress)			
2017/18	Elmwood Junior	Barbara Peacock	Medium	Substantial (No further follow up)	3	3	100%
2017/18	Heavers Farm	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	10	-	-
2017/18	Margaret Roper	Barbara Peacock	Medium	Substantial (2 <sup>nd</sup> follow up in progress)	16	11	69%
2017/18	Purley Oaks Primary	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2017/18	Selsdon Primary	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	9	-	-
2017/18	Saffron Valley	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	6	-	-
<b>School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>50</b>	<b>43</b>	<b>86%</b>
<b>School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>4</b>	<b>4</b>	<b>100%</b>
<b>Recommendations and implementation from audits that have had responses</b>					<b>94</b>	<b>75</b>	<b>80%</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>16</b>	<b>11</b>	<b>69%</b>

## Appendix 6 - 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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