

London Borough of Croydon Internal Audit Annual Report for the year ended 31 March 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.

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

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Executive Summary

Introduction

The purpose of this report is to contribute to the Head of Internal Audit annual reporting requirements set out in the Public Sector Internal Audit Standards. The standards advise that the report must:

- a) include an opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control;
- b) disclose any qualifications to that opinion, together with the reasons for the qualification;
- c) present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
- d) draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement;
- e) compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and targets, and
- f) comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

Head of Internal Audit Opinion on the Effectiveness of Internal Control

This opinion statement is provided for the use of London Borough of Croydon in support of its Annual Governance Statement 2018 that is published with the statement of accounts for the year ended 31 March 2018.

Scope of Responsibility

The Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. London Borough of Croydon also has a duty under the Local Government Act 1999 to 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.

In discharging this overall responsibility, London Borough of Croydon is also responsible for ensuring that there is a sound system of internal control, which facilitates the effective exercise of the Authority's functions and which includes arrangements for the management of risk.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Croydon's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Review of Effectiveness

The London Borough of Croydon has the responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors, who during the year analysed the Council's adherence to CIPFA guidelines regarding the Annual Governance Statement and found no major issues. Effectiveness of the system is also conveyed by executive managers within the authority, who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates in the annual audit letter and other reports.

Head of Internal Audit Annual Opinion Statement

Our opinion is derived from work carried out by Internal Audit during the year as part of the agreed internal audit plan for 2017/18, including our assessment of the London Borough of Croydon corporate governance and risk management processes and information technology governance.

The internal audit plan for 2017/18 was developed to primarily provide management with independent assurance on the adequacy and effectiveness of the systems of internal control.

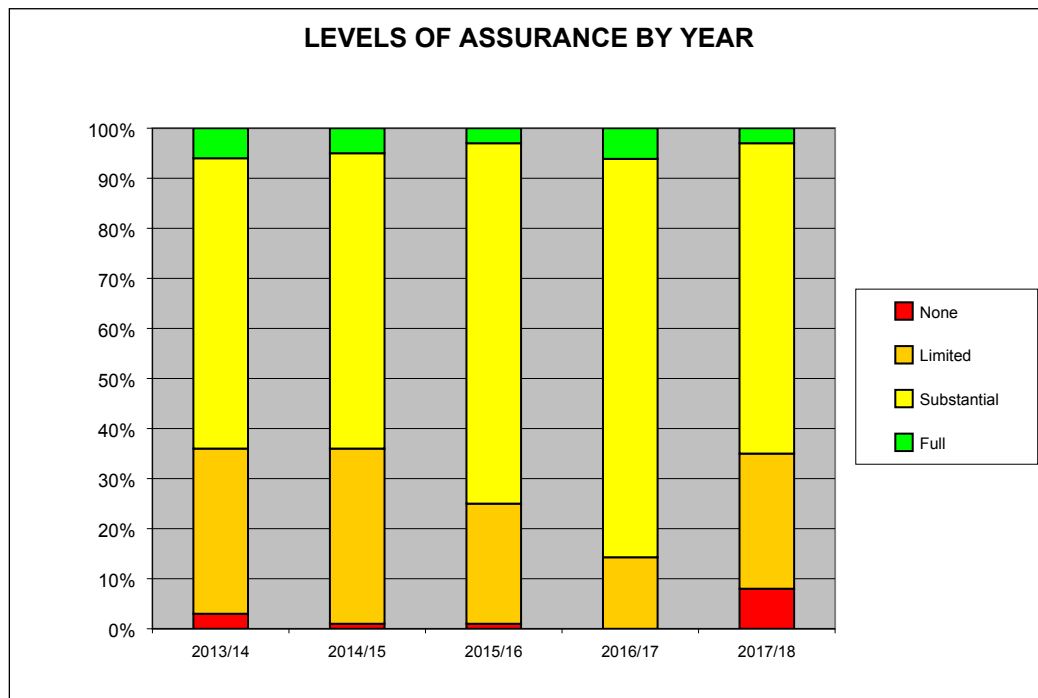
Basis of Assurance

We have conducted our audits both in accordance with the mandatory standards and good practice contained within the Public Sector Internal Audit Standards and additionally from our own internal quality assurance systems.

Our opinion is limited to the work carried out by Internal Audit during the year on the effectiveness of the management of those principal risks, identified within the organisation's Assurance Framework, that are covered by Internal Audit's programme. Where principal risks are identified within the organisation's framework that do not fall under Internal Audit's coverage or that are not included in Internal Audit's coverage, we are satisfied that an Assurance Framework is in place that provides reasonable assurance that these risks are being managed effectively.

Our work for the year to 31 March 2018 was completed in line with the operational plan.

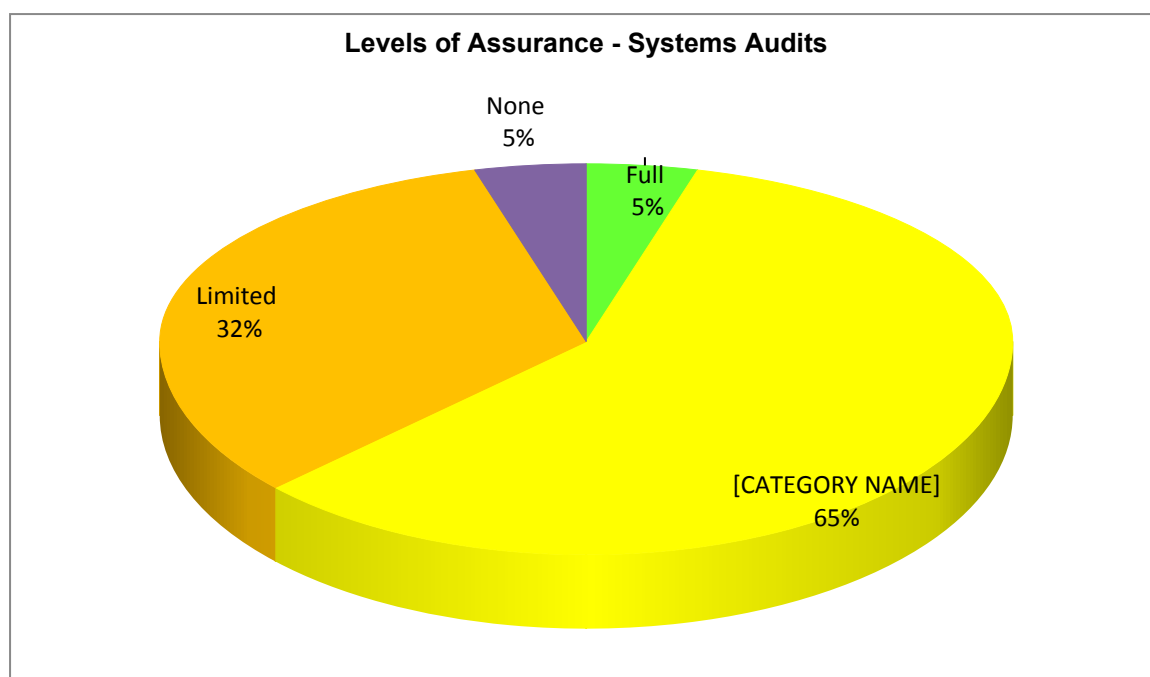
Graph 1 – Assurance Levels



	2013/14	2014/15	2015/16	2016/17	2017/18
Full Assurance	6%	5%	3%	8%	8%
Substantial Assurance	57%	59%	72%	78%	62%
Limited Assurance	34%	35%	24%	14%	27%
No Assurance	3%	1%	1%	0%	3%

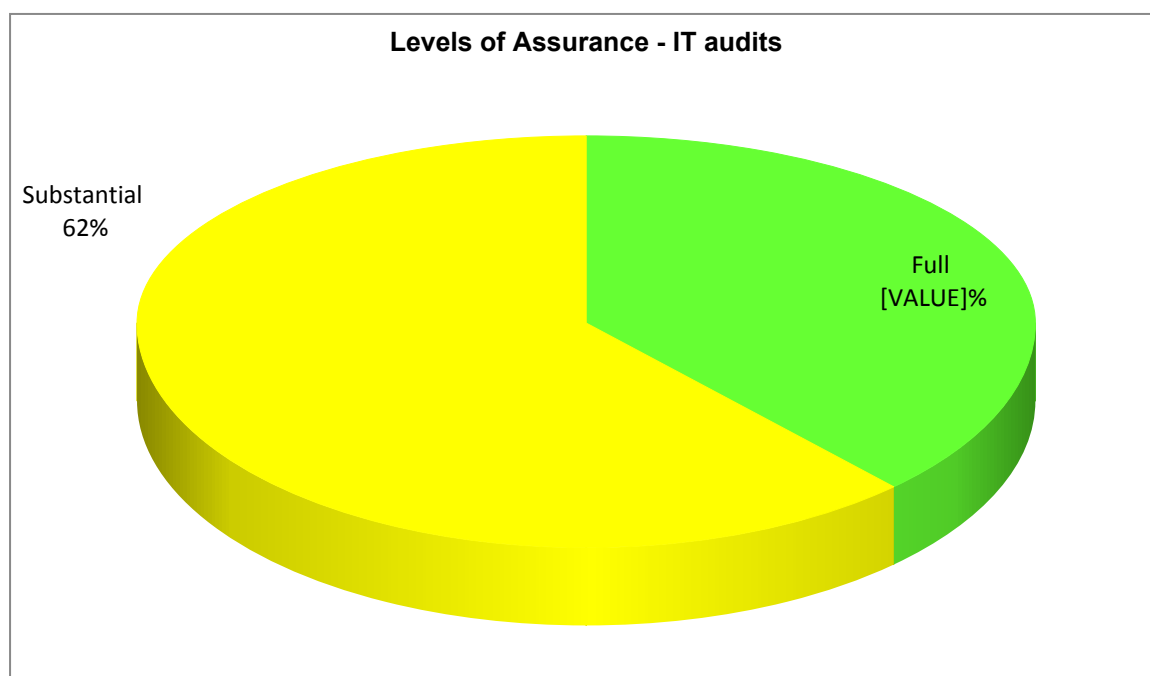
Graph 1 shows the percentage of final audit reports issued per level of assurance over the past five years. As can be seen the number of limited and no assurance reports is 16% more than those issued during 2016/17.

Graph 2 – Levels of Assurance – Systems Audits



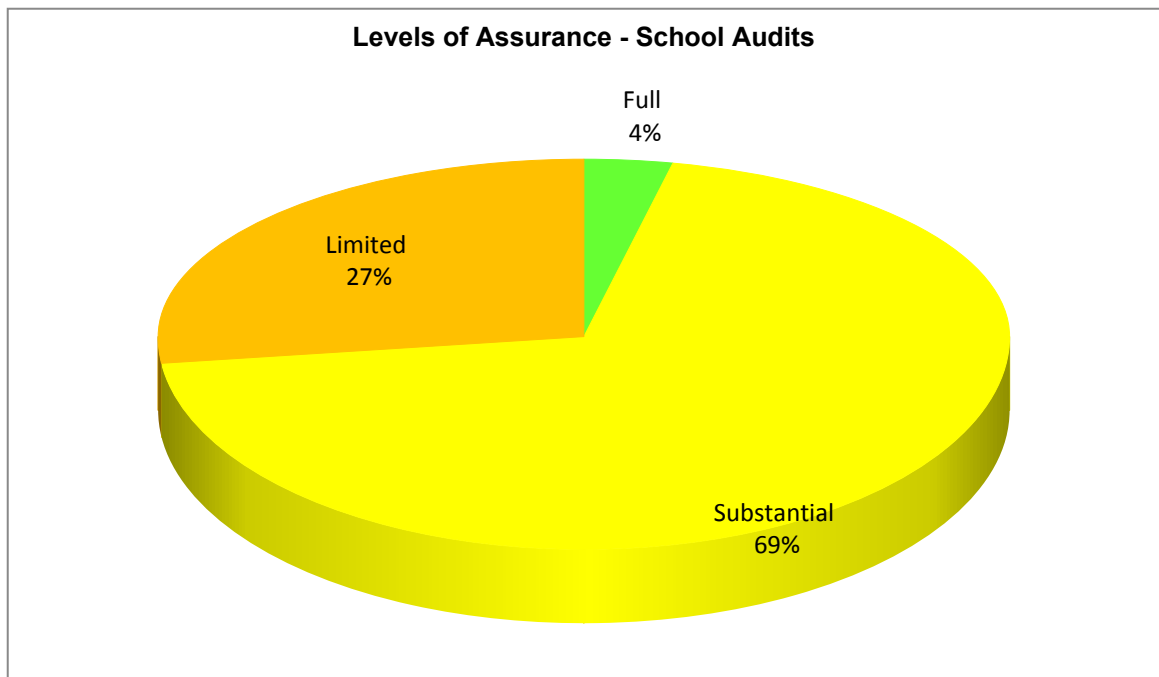
Graph 2 shows the percentage of final reports issued per level of assurance achieved on all the full systems audited. This shows that 70% of the systems audited, including the core Council financial systems, achieved an assurance level of Substantial or Full. This is in line with performance from 2016/17 which was 69%.

Graph 3 – Levels of Assurance – IT Audits



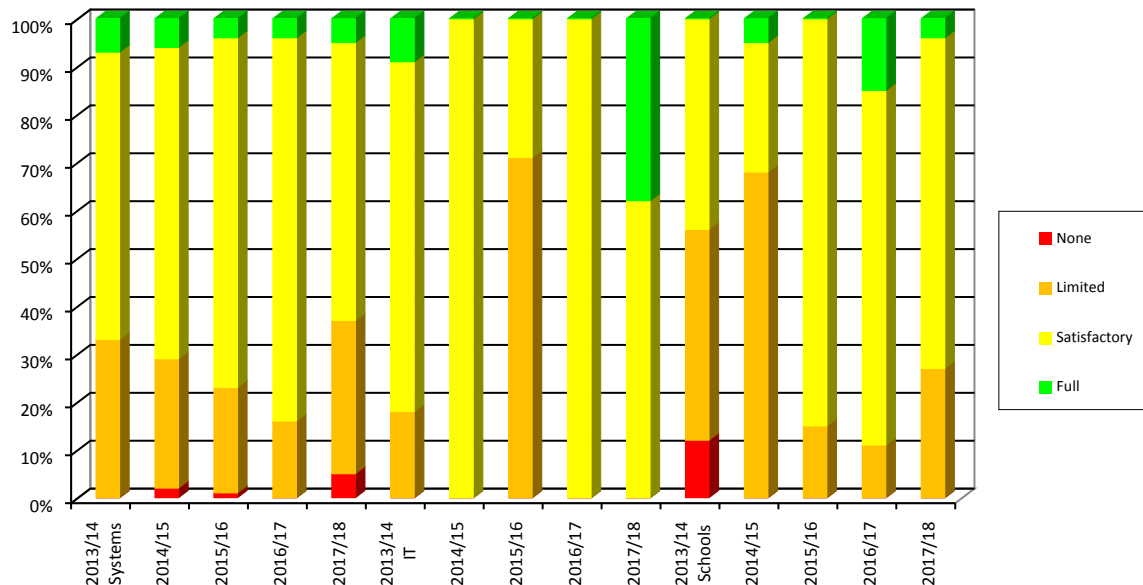
Graph 3 shows the percentage of final audit reports issued per level of assurance for the computer audit programme of work. This shows that 100% (8 out of 8) of the finalised computer audits achieved an assurance level of Full or Substantial. This is similar to the performance of 2016/17 which was 100%.

Graph 4 – Levels of Assurance – School Audits



Graph 4 shows the results of the schools audit programme. A total of 73% of all locations visited resulted in a Full or Substantial Assurance. This behind the performance in 2016/17, which was 82%, but still maintains the marked improvement on previous years (32% in 2014/15 and 44% in 2013/14)

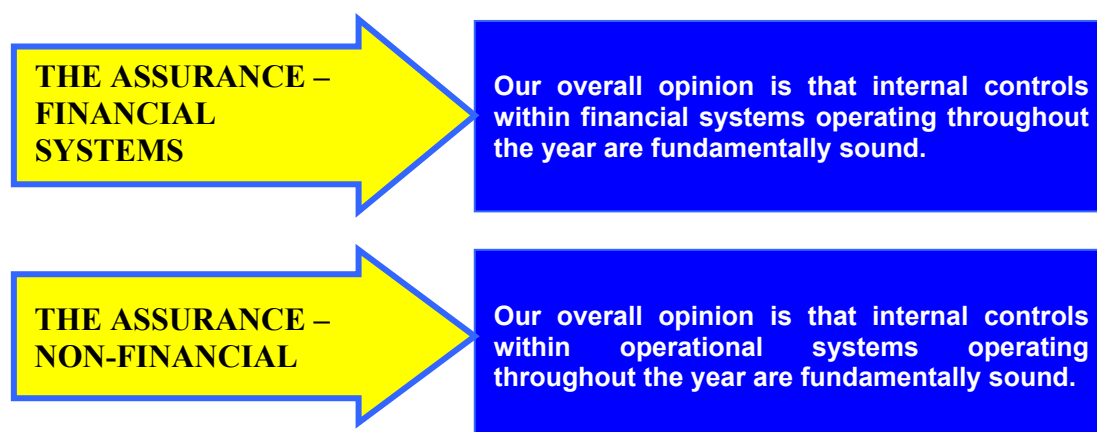
COMPARISON OF ASSURANCE BY AUDIT TYPE 2013/14 TO 2017/18



2017/18 Year Opinion

Internal Control

From the Internal Audit work undertaken in 2017/18, it is our opinion that we can provide **Substantial Assurance** that the system of internal control that has been in place at London Borough of Croydon for the year ended 31 March 2018 accords with proper practice, except for any details of significant internal control issues as documented in the detailed report. The assurance can be further broken down between financial and non-financial systems, as follows:



In reaching this opinion, the following factors were taken into particular consideration:

- 'The Annual Audit Letter', by Grant Thornton for its 2016/17 Audit which issued:
 - an unqualified opinion on the accounts which give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council;
 - their VfM (Value for Money) conclusion, where 'with the exception of the matter set out above [the Ofsted report which rated children's services as 'inadequate' and highlighted that there had been a significant deterioration in the quality of service provision in relation to children's services since the previous inspection in 2012] in relation to arrangements for management of children's services, we are satisfied that in all significant respects you have put in place proper arrangements to secure economy, efficiency and effectiveness in your use of resources for the year ended 31 March 2017', and
 - an unqualified opinion on the Council's Whole of Government Accounts submission.
- The Executive Director of Resources and Section 151 Officer's assessment of the internal audit function submitted to the General Purposes and Audit Committee on 29 June 2017.
- A peer review by another London Borough's Head of Internal Audit which was conducted during the course of 2015/16 to assess the extent to which the Council's internal audit service complied with the Public Sector Internal Audit Standards. (An independent review against the Public Sector Internal Audit Standards is required every 5 years). This showed that the Council's Internal Audit service 'Generally Conforms to the standards'.

Corporate Governance

In our opinion the corporate governance framework complies with the best practice guidance on corporate governance issued by CIPFA/SOLACE. This opinion is based on:

- 'The Annual Audit Letter', by Grant Thornton for its 2016/17 Audit, where based on their review of the Council's Annual Governance Statement and Narrative Report, they stated that, 'Both documents were prepared in line with the relevant guidance and were consistent with the supporting evidence provided.'

- The Audit Findings for the London Borough of Croydon', by Grant Thornton for its 2016/17 Audit, where no significant control weaknesses in the Council's internal control arrangements were identified.
- Our annual audit plan of work, which included governance related audits.

Risk Management

In our opinion, based on our:

- 2015/16 audit of the Risk Management process, for which a Substantial assurance was provided, and
- on-going audits of the departmental risk registers.

We consider the risk management processes are effective and provide regular information on key risks and issues to the Council's Management and Executive Teams and through to Members. The assessment, evaluation and documentation of risks and controls were continued during the year so that risk registers are revised and updated for all Departments.

Information Technology

In our opinion, the information technology of the Council supports the organisation's strategies and objectives. This opinion is based on our ongoing programme of computer audits, as well as other departmental and corporate audits, which did not identify any material weaknesses with information technology governance.

Acknowledgement

We would like to take this opportunity to formally record our thanks for the cooperation and support we have received from the management and staff during the year, and we look forward to this continuing over the coming years.

HEAD OF INTERNAL AUDIT

Simon Maddocks
Mark Towler

(Director of Governance - Resources Department, London Borough of Croydon)
(Director - Mazars Public Sector Internal Audit Ltd)

May 2018

DETAILED REPORT

Introduction

This section is a report from Internal Audit detailing:

- any significant control failures or risk issues that have arisen and been addressed through the work of Internal Audit;
- any qualifications to the Head of Audit opinion on the Authority's system of internal control, with the reasons for each qualification;
- the identification of work undertaken by other assurance bodies upon which Internal Audit has placed an assurance to help formulate its opinion;
- the management processes adopted to deliver risk management and governance requirements;
- comparison of the work undertaken during the 2017/18 year against the original Internal Audit plans, and
- a brief summary of the audit service performance against agreed performance measures.

Significant Control Weaknesses

Internal Audit is required to form an opinion on the quality of the internal control environment, which includes consideration of any significant risk or governance issues and control failures which arise. During the financial year 2017/18, two key issues were identified:

- Although there has been much improvement since last year, during the course of internal audit work during the year, a number of issues were identified arising from non-compliance with the Councils Contracts and Tenders Regulations and on-going contract management.
- Internal audit work during the year identified a number of issues relating to budgeting and financial management within the People's department.

The Council has action plans to address these issues and Internal Audit will be involved in further audits of these areas.

Qualifications to the opinion

Internal Audit had unfettered access to all areas and systems across the authority and received appropriate co-operation from officers and Members. Our Internal Audit plans were based on an assessment of risk, including using the Council's risk register and were supported by the members of the Corporate Leadership Team individually for their departments and divisions as well as the Chief Executive for the overall plans. We have delivered the agreed Internal Audit annual plans and based on the work we have undertaken plus our knowledge of the Council, we have no qualifications to raise as a result of our work programme.

Other assurance bodies

In formulating the overall opinion on internal control, the Head of Internal Audit took into account the work conducted by Ofsted and the External Auditor.

Governance Processes

The key features of the framework for Corporate Governance within London Borough of Croydon are outlined below:

- Challenge and review by the General Purposes & Audit Committee (GPAC);

- Corporate objectives and targets have been established and are monitored;
- Implemented structures and processes that reflect good practice guidance, are well documented and are flexible to accommodate change;
- Standards of conduct and a Code of Conduct are in place for Members and officers;
- The Constitution, which was adopted by the Council on 21 May 2012 and subsequently amended in July and October 2012, January and July 2014, and May 2015 and January, May and September 2016, and January and June 2017;
- The Council's Tenders and Contract Regulations, which form part of the Constitution of the London Borough of Croydon and were adopted by Full Council on 21 May 2016, and
- Financial Regulations are reviewed and revised on an annual basis under delegated authority (by the Executive Director of Resources and S151 Officer). The current version of the Financial Regulations was issued during September 2016. Day to day guidance is provided via the Financial Procedures maintained by the Governance Team. Training on the Financial Regulations and Procedures forms part of the governance training currently available to managers and staff under the banner of 'Doing the Right Thing'.

Risk Management Process

The principal features of the risk management process are described below:

Members: The Council has a Member risk champion. The GPAC receives regular reports on risk issues and 'Red rated' Strategic, Governance and Operational Risks are formally reviewed on a quarterly basis by GPAC. All Cabinet members are briefed on risks in relation to their portfolio via their Executive Director. All major risks are aligned to the corporate priorities as well as Croydon Vision Theme and Strategy.

Departmental Leadership Team: All risks appear on DLT (Departmental Leadership Team) meeting agendas on a quarterly basis facilitated by a member of the Risk & CPO team.

Head of Risk & Corporate Programme Office: Responsibility for developing, introducing and maintaining Risk Management rests with the Head of Risk & Corporate Programme Office. He has taken the lead on developing and introducing risk registers, defining processes, documentation and standards, and providing the drive for its implementation. The JCAD Risk computer system is used to facilitate this process.

This includes:

- Quarterly risk challenge through Divisional and Departmental MTs is provided by the Risk & CPO function;
- The running of risk workshops by agreement with a number of Project Boards, Project Managers and at Departmental Team Meetings by Risk & CPO to support robust Programme and Project Management standards;
- There is ongoing liaison with the Managing Demand Programme to support risk identification on both a programme and project level together with an on-going process of developing risk logs for major projects; and
- A Risk Management toolkit is available on the intranet providing an information source for all Council staff.

Audit Plan

The Audit Plan for 2017/18 was compiled using the Council's Risk Registers as the key drivers in developing audit coverage, as well as detailed discussions with CLT members and departmental management teams. The 2017/18 audit plan was approved by the General Purposes and Audit Committee on 22nd March 2017.

All audit fieldwork is complete for audits relating to the 2017/18 year programme. The 2017/18 Internal Audit plan is provided in Appendix 1 for information. The schedule shows the number of recommendations raised in each audit during 2017/18 where a final report has been issued.

Internal Audit Performance

Table 1 below sets out the pre-agreed performance criteria for the Internal Audit service. The table shows the actual performance achieved against any targets that were set.

Table 1

Performance Measure	Target	Actual
Percentage of the Internal Audit Plan completed	100%	100%
Percentage of staff with full qualifications used to deliver the service	40%	41%
% of draft reports issued within 2 weeks of exit meeting with the Client	85%	89%
Number of draft reports	96	96

The Council's internal and external auditors co-operate and liaise where possible to aid greater harmonisation of internal and external audit work, with a view to external audit placing reliance on the work of internal audit.

Council's Performance with respect to Internal Audit

Under the internal audit follow-up protocol, follow-up audits are undertaken to establish whether the recommendations raised have been successfully implemented according to the action plans agreed with the service managers. The Council's minimum 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.

Table 2 sets out the performance for the Council's response to Internal Audits. The table shows the actual performance achieved against any targets that were set in advance.

Table 2

Performance Objective	Target	Performance 2013/14	Performance 2014/15	Performance 2015/16 (to date*)	Performance 2016/17 (to date*)	Performance 2017-18 (to date*)
Percentage of priority one recommendation implemented at the time of the follow up audit	90%	100%	100%	96%	88%	77%
Percentage of all recommendations implemented at the time of the follow up audit	80%	95%	89%	89%	87%	70%

* The follow ups of 2013/14 and 2014/15 audits are complete. Not all 2017/18 audits have yet been subject to follow up action (the results of those 2015/16, 2016/17 and 2017/18 audits that have been followed up are included in Appendixes 3, 4 and 5 respectively).

Quality and Compliance with the Public Sector Internal Audit Standards

The statement of compliance with the Public Sector Internal Audit Standards is detailed in the covering report by the Director of Governance.

Appendix 1 – Work against audit plan

2017/18 Audit Plan	System Priority	Department	Assurance	Recommendations			Total Raised
				Priority			
				1	2	3	

KEY FINANCIALS/ IAS 315 REVIEWS							
Business Rates	High	Resources	Substantial	0	2	0	2
Community Care Payments	High	People	Limited	5	3	1	9
Council Tax	High	Resources	Substantial	0	3	2	5
Creditors (inc P2P)	High	Resources	Limited	0	3	0	3
Debtors	High	People	Substantial	0	1	1	2
Housing Benefits	High	Resources	Substantial	0	2	1	3
Housing Rents & Accounting	High	People	Report is still draft				
Housing Repairs	High	Place	Substantial	0	2	1	3
Main Accounting System (limited scope)	High	Resources	Full	0	0	0	0
Parking Enforcement & Income	High	Place	Substantial	0	4	1	5
Payments to Schools	High	Resources	Substantial	0	4	1	5
Payroll (including data analysis)	High	Resources	Substantial	0	3	0	3
Pension Administration	High	Resources	Substantial	0	2	0	2
Treasury Management (limited scope)	High	Resources	Full	0	0	0	0
Total Key Financials Audits				5	29	8	42

DEPARTMENTAL RISK REGISTER AUDITS							
Abandoned Vehicles	High	Place	No	4	6	0	10
Adecco Agency Contract	High	Resources	Report is still draft				
Appointeeships	High	People	Limited	2	3	2	7
Bridges and Infrastructure	High	Place	Substantial	0	2	1	3
Brokerage	High	Resources	Limited	2	3	5	10
Budget Management - People Department	High	People	Report is still draft				
CALAT – Income collection	High	Place	Substantial	0	4	2	6
Coast to Capital	High	Resources	Substantial	0	3	0	3
Croydon Enterprise Loan Fund (CELF)	High	Place	Limited	2	2	1	5
Croydon Equipment Solutions (Supply and Cost Control)	High	Resources	Substantial	0	7	0	7
Declaration of Interests, Gifts and Hospitality (Officers)	High	Resources	Substantial	0	3	1	4
Deprivation of Liberty Safeguards	High	People	Limited	2	2	0	4
Development Management	High	Place	Substantial	0	2	3	5
Direct Payments	High	Place	Limited	1	2	1	4
Establishment	High	Resources	Report is still draft				
Food Safety	High	Place	Limited	3	6	2	11
Health Visits	High	Resources	Report is still draft				
ICT Capita Contract - (ICT Client Team - Financial Contract Administration)	High	Resources	Limited	1	0	0	1
Mayors Charity Accounts	High	Resources	No	5	6	2	13
No Recourse to Public Funds	High	People	Report is still draft				

Open Book Accounting (AXIS Europe plc)	High	Place	Limited	1	3	1	5
Pay and Display Meter Maintenance and Income Collection	High	Place	Limited	2	1	1	4
Pension Fund - Admitted and Scheduled Bodies	High	Resources	Substantial	0	3	1	4
Place Review Panel (Planning Pre-Application Advice Panel)	High	Place	Substantial	0	1	2	3
Registrars	High	Place	Limited	1	2	3	6
Role of Caretakers in Contract Management	High	Place	Substantial	0	6	2	8
Schools Forum and its role in Funding	High	Place	Substantial	0	1	0	1
Special Sheltered Housing	High	Place	Limited	2	8	0	10
Street Trading - Income Collection	High	Place	Substantial	0	8	1	9
Temporary Accommodation - Occupancy Checks and Rebooking	High	Place	Substantial	0	3	0	3
Transport - Fleet Management	High	Place	Substantial	0	3	3	6
Tree Root Inspections	High	Place	Limited	1	4	4	9
Unaccompanied Asylum Seeking Children	High	Place	Report is still draft				
Voids	High	Place	Substantial	0	3	1	4
Voluntary Organisations - Community Fund	High	Resources	Report is still draft				
Youth Offending Service	High	People	Substantial	0	3	0	3
Total Departmental Risk Register Audits				29	100	39	168

COMPUTER AUDITS							
Anti Virus and Malware	High	Resources	Full	0	0	0	0
Design of New Backup and Disaster Recovery Solution	High	Resources	Substantial	0	2	0	2
EU General Data Protection Regulation – GDPR	High	Resources	N/a no report issued				
GIS Application Systems (Geographic Information Systems)	High	Resources	Substantial				
MYapp and MYaccount	High	Resources	Report is still draft				
Peoples ICT	High	Resources	Full	0	0	0	0
Sekchek Active Directory System Security	High	Resources	Report is still draft				
SharePoint pre-implementation (move to cloud)	High	Resources	Substantial	0	1	0	1
SQL Server	High	Resources	Substantial	0	1	1	2
Unix/Linux Operating System	High	Resources	Substantial	0	1	2	3
Windows OS Security	High	Resources	Full	0	0	2	2
Total Computer Audits				0	5	5	10

CONTRACT AUDITS							
Contract Governance of the One Croydon Alliance Programme	High	Resources	Report is still draft				
Contract Management - Mechanical Works (Heating)	High	Place	Report is still draft				
FM Building Services - Contract Monitoring	High	Place	Report is still draft				
Heathfield Academy School Expansion - Vertical	High	Place	Report is still draft				
Lifts and Escalators Contract	High	Place	Report is still draft				
Named Contract Officers - Themed Audit	High	Resources	Report is still draft				
New Addington Leisure Centre and Housing Construction	High	Place	Report is still draft				
School Heating Works 2016 – Smitham Primary School, Emitter and Pipework Replacement	High	Place	Substantial	0	2	1	3
Windows and Associated Works	High	Resources	Report is still draft				
Total Computer Audits				0	2	1	3

SCHOOLS AUDITS							
All Saints C of E Primary School	Medium	People	Substantial	0	5	3	8
Archbishop Tenison (Limited scope)	Medium	People	Substantial	0	0	1	1
Beaumont Primary	Medium	People	Full	0	0	3	3
Beulah Juniors	Medium	People	Limited	2	8	3	13
Coloma Convent Girls' School	Medium	People	Substantial	0	10	4	14
Crosfield Nursery	Medium	People	Substantial	0	1	1	2
Elmwood Infants School	Medium	People	Limited	2	7	5	14
Elmwood Junior School	Medium	People	Substantial	0	1	2	3
Gilbert Scott Primary School	Medium	People	Substantial	0	3	2	5
Heavers Farm Primary	Medium	People	Substantial	0	5	5	10
Howard Primary School	Medium	People	Substantial	0	7	6	13
Margaret Roper Catholic Primary	Medium	People	Substantial	0	9	7	16
Norbury Manor Primary	Medium	People	Limited	2	7	3	12
Priory	Medium	People	Substantial	0	1	5	6
Purley Nursery	Medium	People	Substantial	0	2	2	4
Purley Oaks Primary School	Medium	People	Substantial	0	4	3	7
Rockmount Primary School	Medium	People	Substantial	0	2	4	6
Saffron Valley	Medium	People	Substantial	0	2	4	6
Selsdon Primary School	Medium	People	Substantial	0	4	5	9
St Joseph's Federation	Medium	People	Limited	4	14	7	25
St Marys Catholic High School	Medium	People	Limited	2	6	8	16
The Minster Nursery and Infant School	Medium	People	Limited	2	10	5	17
Thornton Heath Nursery	Medium	People	Substantial	0	4	3	7
Tunstall Nursery	Medium	People	Substantial	0	1	3	4
Winterbourne Nursery and Infants	Medium	People	Limited	1	14	3	18
Woodcote Primary School	Medium	People	Substantial	1	3	3	7
Total School Audits				16	130	100	246
Total Recommendations				50	258	153	469

Appendix 2 – Summary of Priority One Recommendations

Audit Title	Risk Level	Assurance Level & Number of Issues	Summary of key issues raised.
Non- School Audits			
Abandoned Vehicles	High	No (Four priority 1 and six priority 2 issues)	<p>A priority 1 issued 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.</p> <p>A priority 1 issued 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.</p> <p>A priority 1 issued was raised as 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.</p> <p>A priority 1 issued was raised as there is no monitoring of instructions to Tran-Support to remove vehicles to ensure that these instructions are acted upon in a timely manner.</p>
Anti-Virus and Malware	High	Full	No priority 1 recommendations raised.
Bridges and Infrastructure	High	Substantial (Two priority 2 and one priority 3 issue)	No priority 1 recommendations raised.
Brokerage	High	Limited (Two priority 1 issues, three priority 2 issues and five priority 3 issues)	Priority 1 issues were raised as that providers outside of the signed Integrated Framework Agreement (IFA) were being used regularly for care provision of clients and there was no evidence provided of inspections having occurred at three of the five providers sampled.
CALAT – Income Collection	High	Substantial (Four priority 2 and two priority 3 issues)	No priority 1 recommendations raised.
Community Care Payments	High	Limited (Five priority 1 issues, three priority 2 issues and 1 priority 3 issue)	<p>Priority 1 issues were raised as funding for some placements was authorised after the placements, commitment forms for half the sample were raised at least seven days after the placement dates and commitment forms were not held for some placements.</p> <p>Furthermore, there was no evidence of a formalised process for the monitoring, processing and appropriate actioning of deceased client notification and there been a significant delay in the amendment of Advance Payment Solutions (APS) to Pre-paid Financial Services (PFS) bank account details resulting in 24 unnecessary rejected payments and the risk of payments being made to incorrect accounts.</p>
Croydon Equipment Solutions	High	Substantial (Seven priority 2 issues)	No priority 1 recommendations raised.
Deprivation of Liberty Safeguards	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, with the average length of time between application and authorisation on completed assessments being 3 months for 2016/17.</p> <p>A priority 1 recommendation 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 did not have a fraud declaration or 'fair processing' notice.
Food Safety	High	Limited (Three priority 1, six priority 2 and two priority 3 issues)	<p>A priority 1 issued 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 issued was raised as nine out of the ten new establishments sampled had not yet been inspected and the</p>

			<p>remaining establishment was only inspected 59 days after it opened</p> <p>A priority 1 issued was 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 FSA. It was further noted that 612 establishments were registered and due an inspection but these had not been conducted</p>
ICT Capita Contract - (ICT Client Team - Financial Contract Administration)	High	Limited (One priority 1 issue)	A priority 1 recommendation was raised as copies of a sample of change requests (CCNs) and corresponding Initial Impact Assessments (IIAs) and, where appropriate, approved Change Authorisation Notes were requested, but have not been provided. Furthermore, the CCN tracker was incomplete.
Mayors Charity	High	No (Five priority 1 issues, six priority 2 issues and two priority 3 issues)	<p>A priority 1 issue was raised as meetings were not being held in accordance with the 'Trust Deed Dated 31 March 1994',</p> <p>A priority 1 issue was raised as the funds collected for the previous mayor had not yet all been received and disbursed at the time of audit.</p> <p>A priority 1 issue was raised as sample testing found that four (out of 15) donations were not recorded on the Income and Expenditure spreadsheet used to monitor payments into and out of the Mayor's Charity fund.</p> <p>A priority 1 issue was raised as bank reconciliations are not performed on a regular basis.</p> <p>A priority 1 issue was raised as there was no evidence that an annual report was prepared, approved or submitted to the Charity Commission.</p>
Pay and Display Meter Maintenance and Income Collection	High	Limited (Two priority 1, one priority 2 and one priority 3 issue)	<p>A priority 1 issued was raised as the contract between NSL and the Council expired in 2015.</p> <p>A priority 1 issued 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.</p>
Payments to Schools	High	Substantial (Four priority 2 and one priority 3 issue)	No priority 1 recommendations raised.
Pension Fund – Admitted and Scheduled Bodies	High	Substantial (Three priority 2 and one priority three issue)	No priority 1 recommendations raised.
Place Review Panel (Planning Pre-Application Advise Panel)	High	Substantial (One priority 2 and two priority 3 issues)	No priority 1 recommendations raised.
Registrars	High	Limited (One priority 1, two priority 2 and one priority 3 issue)	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 these records to the daily cash summary sheets was not being conducted.
Schools Forum and its role in funding	High	Substantial (One priority 2 issue)	No priority 1 issues were raised
Special Sheltered Housing	High	Limited (Two priority 1 and eight priority 2 issues raised)	Priority 1 issues were raised as quarterly quality inspections were not always being conducted as required and, although sensitive personal data is shared between the Council and Mears, the Council has not received any documentation evidencing Mears' compliance with Data Protection legislation.
Street Trading Income Collection	High	Substantial (Eight priority 2 and one priority 3 issue)	No priority 1 recommendations raised.
Transport Fleet Management	High	Substantial (Three priority 2 issues)	No priority 1 recommendations raised.
Tree Root Inspections	High	Limited (One priority 1, four priority 2 and one priority 3 issue)	A priority 1 issued was raised as other than casual inspections by contractors hired to conduct pruning work, there is no other process in place to inspect trees for potential hazards or required works.
Unix/Linux Operating System	High	Substantial (One priority 2 and two priority 3 issues)	No priority 1 recommendations raised.

Windows Operating System Security	High	Full	No priority 1 recommendations raised.
Youth Offending Service	High	Substantial (Three priority 2 issues)	No priority 1 recommendations raised.
SCHOOL AUDITS			
All Saints C of E Primary	Med	Substantial (Five priority 2 and three priority 3 recommendations)	No priority 1 recommendations raised.
Archbishop Tenison (Limited Scope Review)	Med	Full (One priority 3 recommendation raised)	No priority 1 recommendations raised.
Coloma Convent Girls' School	Med	Substantial (Ten priority 2 and 4 priority 3 recommendations)	No priority 1 recommendations raised.
Crosfield Nursery	Med	Substantial (One priority 2 and one priority 3 recommendations)	No priority 1 recommendations raised.
Elmwood Infants School	Med	Limited (Two priority 1, seven priority 2 and five priority 3 recommendations)	Priority 1 issues were raised as barred list and DBS checks had not been conducted in a timely manner for some staff and governors and the Schools procurement cards were not obtained via the Council as required and were not evidenced as approved by the Governing Body
Elmwood Junior	Med	Substantial (Five priority 2 and five priority 3 recommendations)	No priority 1 recommendations raised.
Gilbert Scott Primary	Med	Substantial (Three priority 2 and two priority 3 recommendations)	No priority 1 recommendations raised.
Heavers Farm Primary	Med	Substantial (Two priority 2 and two priority 3 recommendations)	No priority 1 recommendations raised.
Howard Primary	Med	Substantial (Seven priority 2 and six priority 3 recommendations)	No priority 1 recommendations raised.
Margaret Roper Catholic Primary	Med	Substantial (Nine priority 2 and seven priority 3 recommendations)	No priority 1 recommendations raised.
Norbury Manor Primary	Med	Limited (Two priority 1, seven priority 2 and three 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.
Priory	Med	Substantial (One priority 2 and three priority 3 recommendations)	No priority 1 recommendations raised.
Purley Nursery	Med	Substantial (Two priority 2 and two 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.

		recommendations)	
Rockmount Primary	Med	Substantial (Two priority 2 and four 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.
Selsdon Primary	Med	Substantial (Four priority 2 and five priority 3 recommendations)	No priority 1 recommendations raised.
St Joseph's Federation	Med	Limited (Four priority 1, fourteen priority 2 and seven priority 3 recommendations)	<p>Priority 1 issues were raised as there was no evidence of a barred list check being conducted for one of the new starters sampled, where there DBS check was only provided after their employment commenced, appropriately authorised orders were not available for eight of the fifteen transactions sampled and appropriate goods or services received checks were not evidenced for thirteen of the fifteen transactions sampled.</p> <p>Furthermore, the Schools 2016/17 SFVS submitted to the Council was not approved in advance by the full Governing Body as required, was completed on the old 23 question version and the assessment for a number of the questions is not in line with the findings of this audit.</p>
St Mary's Catholic High School	Med	Limited (Two priority 1, six priority 2 and eight priority 3 recommendations)	<p>A priority 1 recommendation was raised as sample testing identified invoices totalling £26,400 where payments had been made directly to individuals, who the HMRC would deem as employees, without NI and Tax deductions being made.</p> <p>A priority 1 recommendation was raised as one of the signatories on the School's bank mandate was no longer an employee of the School.</p>
The Minster Nursery and Infants	Med	Limited (Two priority 1, ten priority 2 and five priority 3 recommendations)	<p>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.</p> <p>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</p>
Thornton Heath Nursery	Med	Substantial (Four priority 2 and three priority 3 recommendations)	No priority 1 recommendations raised.
Tunstall Nursery	Med	Substantial (One priority 2 and three priority 3 recommendations)	No priority 1 recommendations raised
Woodcote Primary	Med	Substantial One priority 1, three priority 2 and three priority 3 recommendations)	A priority 1 recommendation was raised as there was no contract in place or retention moneys deducted for the works to refurbish the School kitchen costing £79k.

Appendix 3 - Follow-up of 2015/16 audits

Financial Year	Audit Followed-up	ELT Member Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
Non School Audits							
2015/16	Contract Management and Governance of Croydon Care Solutions	Richard Simpson	High	No (3 rd follow up in progress)	9	8	89%
2015/16	Adoption	Eleni Ioannides	High	Limited (3 rd follow up in progress)	4	3	75%
2015/16	Contract Management and Governance of Adult Social Care Providers	Richard Simpson	High	Limited (No further follow up)	6	5	84%
2015/16	Contract Management and Governance of Croydon Care Solutions	Richard Simpson	High	Limited (No further follow up)	9	9	100%
2015/16	Cyber Security	Richard Simpson	High	Limited (No further follow up planned)	2	2	100%
2015/16	Employee Expenses (via One Oracle)	Richard Simpson	High	Limited (No further follow up planned)	6	6	100%
2015/16	EMS Application	Richard Simpson	High	Limited (5th follow up in progress)	4	1	25%
2015/16	Food Flagship	Guy Van Dichele	High	Limited (No further follow up planned)	9	8	89%
2015/16	Fostering	Eleni Ioannides	High	Limited (3 rd follow up in progress)	5	2	40%
2015/16	ICT Mobile Devices	Richard Simpson	High	Limited (No further follow up planned)	8	7	88%
2015/16	ICT Service Delivery ITIL Framework	Richard Simpson	High	Limited (3rd follow up in progress)	2	1	50%
2015/16	Old Town Building Frontages	Shifa Mustafa	High	Limited (No further follow up planned)	5	5	100%
2015/16	Parking Control – Parking Permits	Shifa Mustafa	High	Limited (No further follow up planned)	10	9	90%
2015/16	Performance Monitoring Adult Social Care	Guy Van Dichele	High	Limited (1 st follow up in progress)	9	-	-
2015/16	Software Licensing	Richard Simpson	High	Limited (No further follow up planned)	8	8	100%
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	Asset Sales	Richard Simpson	High	Substantial (No further follow up planned)	6	5	84%

2015/16	Better Care Fund	Guy Van Dichele	High	Substantial (No further follow up planned)	7	7	100%
2015/16	Care Act 2014	Guy Van Dichele	High	Substantial (1 st follow up in progress)	2	-	-
2015/16	Childcare Provision	Eleni Ioannides	High	Substantial (No further follow up planned)	6	5	83%
2015/16	Clocktower and Town Hall Replacement Works	Richard Simpson	High	Substantial (No further follow up planned)	6	5	84%
2015/16	Connected Croydon - Programme and Project Management	Shifa Mustafa	High	Substantial (2nd follow up in progress)	4	2	50%
2015/16	Council Tax	Richard Simpson	High	Substantial (No further follow up planned)	4	4	100%
2015/16	Croydon Challenge (Programme Management)	Richard Simpson	High	Substantial (No further follow up planned)	6	5	84%
2015/16	Cultural Direction	Richard Simpson	High	Substantial (2nd follow up in progress)	1	0	0%
2015/16	EMS Data Quality	Shifa Mustafa	High	Substantial No further follow up planned)	4	4	100%
2015/16	EU Procurement Directives	Richard Simpson	High	Substantial (2nd ^t follow up in progress)	2	0	0
2015/16	Housing Capital Delivery	Shifa Mustafa	High	Substantial (No further follow up planned)	4	4	100%
2015/16	Integrated Commissioning	Guy Van Dichele	High	Substantial ((No further follow up planned)	3	3	100%
2015/16	Internal Network	Richard Simpson	High	Substantial (2nd follow up in progress)	2	1	50%
2015/16	Interserve – Fire Safety and Health and Safety Assessments	Richard Simpson	High	Substantial (No further follow up planned)	11	10	90%
2015/16	Locality Early Help	Eleni Ioannides	High	Substantial (No further follow up planned)	9	8	89%
2015/16	Looked After Children (placed in another LA area)	Eleni Ioannides	High	Substantial (1 st follow up in progress)	7	-	-
2015/16	Member Ethics and Transparency	Richard Simpson	High	Substantial (No further follow up planned)	2	2	100%
2015/16	NDR – Non Domestic Rates	Richard Simpson	High	Substantial (No further follow up planned)	3	3	100%
2015/16	NHS Partnership with Public Health	Richard Simpson	High	Substantial (No further follow up planned)	6	5	84%
2015/16	One Oracle Back Office	Richard Simpson	High	Substantial (No further follow up planned)	2	2	100%

2015/16	Payments to Schools	Richard Simpson	High	Substantial (No further follow up planned)	3	3	100%
2015/16	Pension Fund Admitted Bodies	Richard Simpson	High	Substantial (No further follow up planned)	1	1	100%
2015/16	People Gateway Programme	Mark Meehan	High	Substantial No further follow up planned)	4	4	100%
2015/16	Places - Street Lighting	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	Procurement of Consultants - South Norwood Public Realm	Shifa Mustafa	High	Substantial (No further follow up planned)	1	1	100%
2015/16	Public Consultations	Richard Simpson	High	Substantial (No further follow up planned)	1	1	100%
2015/16	Risk Management	Richard Simpson	High	Substantial (No further follow up planned)	1	1	100%
2015/16	School Capital Delivery	Shifa Mustafa	High	Substantial (No further follow up planned)	5	4	80%
2015/16	SEN Transport Contract	Richard Simpson	High	Substantial (No further follow up planned)	6	6	100%
2015/16	Wandle Park Pavilion Works	Shifa Mustafa	High	Substantial No further follow up planned)	4	4	100%
2015/16	Waste Contract Management	Shifa Mustafa	High	Substantial (No further follow up planned)	3	3	100%
2015/16	Waste Recycling	Shifa Mustafa	High	Substantial (4th follow up in progress)	3	1	33%
2015/16	Youth Offending Service	Eleni Ioannides	High	Substantial (No further follow up planned)	4	4	100%
2015/16	Cyber Security	Richard Simpson	High	Assurance n/a (no further follow up planned)	2	2	100%
Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses					228	198	87%
Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses					53	51	96%
School Audits							
2015/16	Beulah Junior	Eleni Ioannides	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	Elmwood Junior	Eleni Ioannides	Medium	Substantial (No further follow up planned)	1	1	100%
2015/16	Gilbert Scott	Eleni Ioannides	Medium	Substantial	1	1	100%

				(No further follow up planned)			
2015/16	Howard Primary	Eleni Ioannides	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	Kingsley Primary	Eleni Ioannides	Medium	Substantial (N/A recommendations implemented at final report)	4	4	100%
2015/16	The Minster Junior	Eleni Ioannides	Medium	Substantial (1 st follow up in progress)	2	-	-
2015/16	Purley Oaks	Eleni Ioannides	Medium	Substantial (No further follow up planned)	6	6	100%
2015/16	Rockmount Primary	Eleni Ioannides	Medium	Substantial (No further follow up planned)	1	1	100%
2015/16	Selsdon Primary	Eleni Ioannides	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	St Chads RC Primary	Eleni Ioannides	Medium	Substantial (No further follow up planned)	10	10	100%
2015/16	Winterbourne Infant and Nursery	Eleni Ioannides	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	Winterbourne Junior Girls	Eleni Ioannides	Medium	Substantial (No further follow up planned)	2	2	100%
2015/16	Wolsey Infants	Eleni Ioannides	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	St Josephs RC Federation	Eleni Ioannides	Medium	Substantial (No further follow up planned)	3	3	100%
School Audits Sub Total: Recommendations and implementation from audits that have had responses					48	48	100%
School Audits Sub Total: Priority 1 Recommendations from audits that have had responses					0	0	0
Recommendations and implementation from audits that have had responses					276	246	89%
Priority 1 Recommendations from audits that have had responses					53	51	96%

Appendix 4 - Follow-up of 2016/17 audits

Financial Year	Audit Followed-up	ELT Member Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
Non School Audits							
2016/17	Adult Care Packages	Guy Van Dichele	High	Limited (1 st follow up in progress)	7	-	-
2016/17	Adult Self-Funding and Deferred Payments	Mark Meehan	High	Limited (5 th follow up in progress)	8	6	75%
2016/17	ASC Caseload Management	Guy Van Dichele	High	Limited (2 nd follow up in progress)	7	4	57%
2016/17	Client Management of Octavo Partnership	Eleni Ioannides	High	Limited (No further follow up)	6	6	100%
2016/17	Contract Formalities and Storage of Contracts	Richard Simpson	High	Limited (1 st follow up in progress)	4	-	-
2016/17	Disabled Facilities Grants	Shifa Mustafa	High	Limited (4 th follow up in progress)	12	11	92%
2016/17	Facilities Management – Contract Cleaning	Richard Simpson	High	Limited (No further follow up)	7	7	100%
2016/17	Microsoft Office Enterprise Procurement compliance	Richard Simpson	High	Limited (No further follow up)	3	3	100%
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 Flood Alleviation Scheme	Shifa Mustafa	High	Limited (No further follow up)	8	7	88%
2016/17	Anti-Social Behaviour	Shifa Mustafa	High	Substantial (3 rd follow up in progress)	9	4	44%
2016/17	Citrix Security	Richard Simpson	High	Substantial (No further follow up)	2	2	100%
2016/17	Clinical Governance	Guy Van Dichele	High	Substantial (3rd follow up in progress)	3	0	0%
2016/17	Cloud Services and Solutions Azure	Richard Simpson	High	Substantial (No further follow up)	3	3	100%
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 (No further follow up)	2	2	100%

2016/17	Declarations of Interests, Gifts and Hospitality	Richard Simpson	High	Substantial (No further follow up)	7	7	100%
2016/17	Empty Property Grants	Shifa Mustafa	High	Substantial (No further follow up planned)	6	6	100%
2016/17	Fairfield Delivery	Shifa Mustafa	High	Substantial (3 rd follow up in progress)	2	1	50%
2016/17	Flood Management Plan	Shifa Mustafa	High	Substantial (No further follow up planned)	7	6	86%
2016/17	HMRC Compliance	Richard Simpson	High	Substantial (4 th follow up in progress)	5	3	60%
2016/17	Household Green Waste	Shifa Mustafa	High	Substantial (No further follow up planned)	5	5	100%
2016/17	Housing Benefits	Richard Simpson	High	Substantial (No further follow up)	4	4	100%
2016/17	Housing Registration and Allocation	Mark Meehan	High	Substantial (No further follow up planned)	8	7	87%
2016/17	Housing Rents and Accounting	Mark Meehan	High	Substantial (No further follow up planned)	7	6	86%
2016/17	Housing Repairs	Shifa Mustafa	High	Substantial (No further follow up planned)	4	4	100%
2016/17	Hyperion Application	Richard Simpson	High	Substantial (No further follow up)	9	8	89%
2016/17	Independent Fostering Agencies Framework Procurement	Richard Simpson	High	Substantial (1st follow up in progress)	2	-	-
2016/17	Intranet and Internet Security	Richard Simpson	High	Substantial (No further follow up)	2	2	100%
2016/17	Licensing Income	Shifa Mustafa	High	Substantial (4 th follow up in progress)	2	1	50%
2016/17	Members- Bring Your Own Devices (BYOD)	Richard Simpson	High	Substantial (No further follow up)	3	3	100%
2016/17	MOU – Clinical Commissioning Group	Guy Van Dichele	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	3	3	100%
2016/17	Pension Fund Investments	Richard Simpson	High	Substantial (No further follow up)	4	4	100%
2016/17	Prevent Agenda	Shifa Mustafa	High	Substantial (No further follow up planned)	1	1	100%

2016/17	Project Assurance Place	Shifa Mustafa	High	Substantial (No further follow up planned)	3	3	100%
2016/17	Public Health Integration	Guy Van Dichele	High	Substantial (2nd follow up in progress)	5	0	0%
2016/17	Regeneration Partnership	Shifa Mustafa	High	Substantial (1st follow up in progress)	2	-	-
2016/17	S160 Negotiating, Recharging and Funding	Shifa Mustafa	High	Substantial (No further follow up planned)	3	3	100%
2016/17	Selective Licencing	Shifa Mustafa	High	Substantial (No further follow up planned)	5	5	100%
2016/17	Service and Maintenance of Fire Alarm and Emergency Lighting Contract	Shifa Mustafa	High	Substantial (No further follow up planned)	2	2	100%
2016/17	Service Desk	Richard Simpson	High	Substantial (No further follow up)	5	4	80%
2016/17	Sickness Absence	Richard Simpson	High	Substantial (No further follow up)	5	4	80%
2016/17	Top 50 Families Review	Mark Meehan	High	Substantial (No further follow up planned)	3	3	100%
2016/17	WAN Connectivity	Richard Simpson	High	Substantial No further follow up)	6	5	83%
2016/17	Windows Operating System Security	Richard Simpson	High	Substantial (No further follow up)	5	5	100%
Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses					210	178	85%
Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses					20	17	85%
School Audits							
2016/17	Bensham Manor	Eleni Ioannides	Medium	Limited (1st follow up in progress)	15	-	-
2016/17	Regina Coeli RC Primary	Eleni Ioannides	Medium	Limited (No further follow up)	7	6	86%
2016/17	Selhurst Children's Centre	Eleni Ioannides	Medium	Limited (1st follow up in progress)	20	-	-
2016/17	St Andrews C of E High	Eleni Ioannides	Medium	Limited (2nd follow up in progress)	19	13	69%
2016/17	The Hayes Primary	Eleni Ioannides	Medium	Limited (No further follow up)	12	11	92%
2016/17	Virgo Fidelis High	Eleni Ioannides	Medium	Limited (No further follow up)	12	11	92%

2016/17	Archbishop Tenison C of E	Eleni Ioannides	Medium	Substantial (No further follow up)	8	7	88%
2016/17	Christ Church CE Primary	Eleni Ioannides	Medium	Substantial (No further follow up)	4	4	100%
2016/17	Coulsdon C of E Primary	Eleni Ioannides	Medium	Substantial (No further follow up planned)	2	2	100%
2016/17	Courtwood Primary	Eleni Ioannides	Medium	Substantial (No further follow up planned)	2	2	100%
2016/17	Forestdale Primary	Eleni Ioannides	Medium	Substantial (No further follow up planned)	3	3	100%
2016/17	Greenvale Primary	Eleni Ioannides	Medium	Substantial (No further follow up planned)	6	6	100%
2016/17	Kenley Primary	Eleni Ioannides	Medium	Substantial (No further follow up)	7	7	100%
2016/17	Kensington Avenue Primary	Eleni Ioannides	Medium	Substantial (No further follow up planned)	6	5	83%
2016/17	Keston Primary	Eleni Ioannides	Medium	Substantial (No further follow up)	13	11	84%
2016/17	Monks Orchard Primary School	Eleni Ioannides	Medium	Substantial (No further follow up planned)	2	2	100%
2016/17	Orchard Way Primary	Eleni Ioannides	Medium	Substantial (No further follow up)	12	10	83%
2016/17	Park Hill Infants	Eleni Ioannides	Medium	Substantial (No further follow up planned)	1	1	100%
2016/17	Park Hill Junior	Eleni Ioannides	Medium	Substantial (No further follow up)	1	1	100%
2016/17	Redgates SLD & Autism	Eleni Ioannides	Medium	Substantial (No further follow up)	11	9	82%
2016/17	Ridgeway Primary	Eleni Ioannides	Medium	Substantial (No further follow up planned)	3	3	100%
2016/17	Smitham Primary	Eleni Ioannides	Medium	Substantial (No further follow up))	6	6	100%
2016/17	St Giles School	Eleni Ioannides	Medium	Substantial (No further follow up planned)	9	9	100%
2016/17	St Nicholas MLD & Autism Primary	Eleni Ioannides	Medium	Substantial (No further follow up)	6	6	100%
2016/17	Thomas More	Eleni Ioannides	Medium	Substantial (No further follow up)	7	6	86%
2016/17	Downsview Primary	Eleni Ioannides	Medium	Full (N/A)	-	-	-

2016/17	Gresham Primary	Eleni Ioannides	Medium	Full (No further follow up planned)	1	1	100%
2016/17	St John's Cof E Primary	Eleni Ioannides	Medium	Full (No further follow up planned)	2	2	100%
2016/17	Beckmead School	Eleni Ioannides	Medium	Full (No further follow up)	4	4	100%
School Audits Sub Total: Recommendations and implementation from audits that have had responses					166	148	89%
School Audits Sub Total: Priority 1 Recommendations from audits that have had responses					12	11	92%
Recommendations and implementation from audits that have had responses					376	326	87%
Priority 1 Recommendations from audits that have had responses					32	28	88%

Appendix 5 - Follow-up of 2017-18 audits

Financial Year	Audit Followed-up	ELT Member Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
Non School Audits							
2017/18	Abandoned Vehicles	Shifa Mustafa	High	No (2 nd follow up in progress)	10	7	70%
2017/18	The Mayors Charity	Julian Ellerby	High	No (1 st follow up in progress)	13	-	-
2017-18	Brokerage	Richard Simpson	High	Limited (2 nd follow up in progress)	10	2	20%
2017-18	Deprivation of Liberty Safeguards	Guy Van Dichele	High	Limited (No further follow up)	4	4	100%
2017-18	Direct Payments	Guy Van Dichele	High	Limited (1 st follow up in progress)	4	-	-
2017/18	Food Safety	Shifa Mustafa	High	Limited (No further follow up planned)	11	9	82%
2017/18	Pay and Display Meter Maintenance and Income Collection	Shifa Mustafa	High	Limited (2 nd further follow up in progress)	4	3	75%
2017/18	Registrars	Mark Meehan	High	Limited (No further follow up planned)	6	5	83%
2017-18	Special Sheltered Housing	Richard Simpson	High	Limited (1 st follow up in progress)	10	-	-
2017-18	Tree Root Inspections	Shifa Mustafa	High	Limited (2 nd further follow up in progress)	6	3	50%
2017/18	Admitted Bodies	Richard Simpson	High	Substantial (1 st follow up in progress)	4	-	-
2017/18	CALAT Income Collection	Shifa Mustafa	High	Substantial (2 nd follow up in progress)	6	3	50%
2017/18	Payments to Schools	Richard Simpson	High	Substantial (1 st follow up in progress)	5	-	-
2017/18	Place Review Panel	Shifa Mustafa	High	Substantial (1 st follow up in progress)	3	3	100%
2017/18	Street Trading – Income Collection	Shifa Mustafa	High	Substantial (1 st follow up in progress)	9	-	-
2017-18	Unix (Linux) Operating System Security	Richard Simpson	High	Substantial (1 st follow up in progress)	3	-	-
2017-18	Youth Offending Service	Eleni Ioannides	High	Substantial (No further follow up)	3	3	100%

Financial Year	Audit Followed-up	ELT Member Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2017/18	Windows OS Security	Richard	High	Full (1 st follow up in progress)	2	-	-
Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses					63	42	67%
Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses					9	6	60%
School Audits							
2017-18	Beulah Juniors	Eleni Ioannides	Medium	Limited (1 st follow up in progress)	13	-	-
2017-18	Elmwood Infants	Eleni Ioannides	Medium	Limited (No further follow up)	14	14	100%
2017-18	Norbury Manor	Eleni Ioannides	Medium	Limited (2 nd follow up in progress)	12	8	67%
2017-18	St Joseph's Federation	Eleni Ioannides	Medium	Limited (1 st follow up in progress)	25	-	-
2017-18	St Mary's High School	Eleni Ioannides	Medium	Limited (1 st follow up in progress)	16	-	-
2017-18	The Minster Nursery & Infant	Eleni Ioannides	Medium	Limited (No further follow up)	17	15	89%
2017-18	All Saints C of E Primary	Eleni Ioannides	Medium	Substantial (1 st follow up in progress)	8	-	-
2017-18	Coloma Convent School	Eleni Ioannides	Medium	Substantial (1 st follow up in progress)	14	-	-
2017-18	Crosfield Nursery	Eleni Ioannides	Medium	Substantial (1 st follow up in progress)	2	-	-
2017-18	Elmwood Junior	Eleni Ioannides	Medium	Substantial (No further follow up)	3	3	100%
2017-18	Heavers Farm Primary	Eleni Ioannides	Medium	Substantial (No further follow up)	10	9	90%
2017-18	Howard Primary	Eleni Ioannides	Medium	Substantial (1 st follow up in progress)	13	-	-
2017-18	Margaret Roper Cof E Primary	Eleni Ioannides	Medium	Substantial (2 nd follow up in progress)	16	11	69%
2017-18	Priory	Eleni Ioannides	Medium	Substantial (1 st follow up in progress)	6	-	-

Financial Year	Audit Followed-up	ELT Member Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2017-18	Purley Nursery	Eleni Ioannides	Medium	Substantial (1 st follow up in progress)	4	-	-
2017-18	Purley Oaks	Eleni Ioannides	Medium	Substantial (No further follow up)	7	7	100%
2017-18	Rockmount Primary	Eleni Ioannides	Medium	Substantial (1 st follow up in progress)	6	-	-
2017-18	Saffron Valley	Eleni Ioannides	Medium	Substantial (No further follow up)	6	6	100%
2017-18	Selsdon Primary	Eleni Ioannides	Medium	Substantial (2 nd follow up in progress)	9	5	56%
2017-18	Thornton Heath Early Years	Eleni Ioannides	Medium	Substantial (No further follow up)	7	6	86%
2017-18	Tunstall Nursery	Eleni Ioannides	Medium	Substantial (1 st follow up in progress)	5	-	-
2017-18	Woodcote Primary School	Eleni Ioannides	Medium	Substantial (1 st follow up in progress)	7	-	-
2017-18	Archbishop Tenison	Eleni Ioannides	Medium	Full (No further follow up)	1	1	100%
2017-18	Beaumont Primary	Eleni Ioannides	Medium	Full (1 st follow up in progress)	3	-	-
School Audits Sub Total:					102	85	83%
Recommendations and implementation from audits that have had responses							
School Audits Sub Total:					8	7	88%
Priority 1 Recommendations from audits that have had responses							
Recommendations and implementation from audits that have had responses					165	127	77%
Priority 1 Recommendations from audits that have had responses					23	16	70%

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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