



# London Borough of Croydon

## Internal Audit Report for the period

### 1 April 2016 to 31 January 2017

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

This report ('Report') was prepared by Mazars Public Sector Internal Audit Limited at the request of London Borough of Croydon and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our 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.

## Internal Audit activity

1. During the first ten months of the 2016/17 financial year the following work has been delivered:

- 81% of the 2016/17 planned audit days have been delivered
- 104 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:-
  - 64 system audits commenced and/or were completed;
  - 30 probity audits commenced and/or were completed; and,
  - 10 computer audits commenced and/or were completed.

In addition:

- 19 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 2016/17 internal audit plan was substantially informed by the risk registers. The 2016/17 internal audit plan was presented to the General Purposes and Audit Committee on 23 March 2016.
3. Work on the 2016/17 audit plan commenced in April 2016 and delivery is now well underway.
4. Table 1 details the performance for the 2016/17 audit plan against the Council's targets. At 31 January 2017 Internal Audit had delivered 81% of the planned audit days. While the year to date performance in terms of draft reports issued is slightly behind target, it should be recognised that this follows a similar pattern to previous years where 100% of the plan has been delivered in-year. Internal Audit is well placed to complete the Audit Plan by year end as required.

**Table 1: Performance against targets**

Performance Objective	Annual Target	Year to Date Target	Year to Date Actual	Performance
% of planned 2016-17 audit days delivered	100%	79%	<b>81%</b>	▲
Number of 2016-17 planned audit days delivered	1037	819	<b>839</b>	▲
% of 2016-17 planned draft reports issued	100%	65%	<b>61%</b>	▼
Number of 2016-17 planned draft reports issued	104	68	<b>63</b>	▼
% of draft reports issued within 2 weeks of exit meeting with the Client	85%	85%	<b>100%</b>	▲
2016/17 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	<b>50%</b>	▼
2016/17 % of all recommendations implemented at the time of the follow up audit	80%	80%	<b>92%</b>	▲
2015/16 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	<b>59%</b>	▼
2015/16 % of priority all recommendations implemented at the time of the follow up audit	80%	80%	<b>70%</b>	▼

Performance Objective	Annual Target	Year to Date Target	Year to Date Actual	Performance
2014/15 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	<b>100%</b>	▲
2014/15 % of all recommendations implemented at the time of the follow up audit	80%	80%	<b>89%</b>	▲
2013/14 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	<b>100%</b>	▲
2013/14 % of all recommendations implemented at the time of the follow up audit	80%	80%	<b>95%</b>	▲
% of qualified staff engaged on audit	40%	40%	<b>52%</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.
<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 3 lists the 2016/17 audits for which final reports were issued during the first ten months from 1 April to 31 January 2017. Details of the key issues arising from these reports are shown in Appendix 1.

**Table 3: 2016/17 Final audit reports issued from 1 April to 31 January 2017**

Audit Title	Risk Level	Assurance Level	Planned Year
<b>Non-school audits</b>			
Client Management - Octavo Partnership	High	Limited	2016/17
Disabled Facility Grants	High	Limited	2016/17
Council Tax	High	Substantial	2016/17
Empty Property Grants	High	Substantial	2016/17
Gifts and Hospitality (Officers and Members)	High	Substantial	2016/17
HMRC Compliance	High	Substantial	2016/17
Housing Benefits	High	Substantial	2016/17

Audit Title	Risk Level	Assurance Level	Planned Year
Housing Registration and Allocations	High	Substantial	2016/17
Housing Rents	High	Substantial	2016/17
Hyperion Application Review	High	Substantial	2016/17
Licensing Income	High	Substantial	2016/17
Main Accounting System	High	Substantial	2016/17
Payments to Schools	High	Substantial	2016/17
Payroll	High	Substantial	2016/17
Pension Fund Investments	High	Substantial	2016/17
Prevent Agenda	High	Substantial	2016/17
Selective Licensing – Inspections and Enforcement	High	Substantial	2016/17
Children 0-5 Public Health Responsibility	High	Full	2016/17
Fire Safety (Housing Stock)	High	Full	2016/17
<b>School audits</b>			
Christ Church CE Primary	Medium	Substantial	2016/17
Coulsdon CE Primary	Medium	Substantial	2016/17
Courtwood Primary	Medium	Substantial	2016/17
Forestdale Primary	Medium	Substantial	2016/17
Greenvale Primary	Medium	Substantial	2016/17
Kenley Primary	Medium	Substantial	2016/17
Kensington Avenue Primary	Medium	Substantial	2016/17
Keston Primary	Medium	Substantial	2016/17
Monks Orchard Primary	Medium	Substantial	2016/17
Park Hill Junior	Medium	Substantial	2016/17
Park Hill Infants	Medium	Substantial	2016/17
Ridgeway Primary	Medium	Substantial	2016/17
Smitham Primary	Medium	Substantial	2016/17
St Peter's Primary	Medium	Substantial	2016/17
Red Gates School	Medium	Substantial	2016/17
St Giles School	Medium	Substantial	2016/17
St Nicholas School	Medium	Substantial	2016/17
Beckmead School	Medium	Full	2016/17
Downsview Primary	Medium	Full	2016/17
Gresham Primary	Medium	Full	2016/17
St Johns CE Primary	Medium	Full	2016/17

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

7. During 2016/17 in response to the Council's follow-up requirements, Internal Audit has continued following-up the status of the implementation of previous year audits from 2013/14, 2014/15 and 2015/16 audits.
8. 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				
		2011/12	2012/13	2013/14	2014/15	2015/16
Percentage of priority one recommendation implemented at the time of the follow up audit	90%	100%	100%	100%	100%	59%
Percentage of all recommendations implemented at the time of the follow up audit	80%	93%	93%	95%	89%	70%

The follow ups for 2011/12 and 2012/13 are now complete. The results of those for 2013/14, 2014/15 and 2015/16 audits as well as those for 2016/17 that have been followed up are included in Appendixes 2, 3, 4 and 5 respectively.

9. Appendix 2 shows the last remaining follow-up audit of the 2013/14 audits undertaken to date and the number of recommendations raised and implemented. 95% of the total recommendations were found to have been implemented and 100% of the priority 1 recommendations which have been followed up have been implemented.
10. Appendix 3 shows the follow-up audits of 2014/15 audits undertaken to date and the number of recommendations raised and implemented. 89% of the total recommendations were found to have been implemented and 100% of the priority 1 recommendations which have been followed up have been implemented.
11. Appendix 4 shows the follow-up audits of 2015/16 audits undertaken to date and the number of recommendations raised and implemented. 70% of the total recommendations were found to have been implemented and 59% 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
Contract Management and Governance of Croydon Care Solutions	Barbara Peacock	High	Limited	A recommendation was raised as a final and definitive pooled budget agreement with Croydon Clinical Commissioning Group or Croydon Health Services in respect of Croydon Equipment Solutions could not be provided and thus there is no evidence of this existing. The current pooled budget arrangement operating is not considered to be favourable to the Council.
Contract Management & Governance of Adult Social Care Providers	Barbara Peacock	High	Limited	A recommendation was raised ensure that individual placement agreements are agreed with service providers, that legacy placements are reviewed to ensure these are supported by an individual placement agreement and that the individual placement agreements reviewed to ensure that these are appropriate.  The response confirmed that the standard individual placement agreement had been reviewed and updated, but although a Placements Team,

Audit Title	Executive Director Responsible	Risk Level	Assurance Level	Summary of issues arising in priority 1 recommendations
				established in July 2016, had taken over the management of the issuing and obtaining signed copies of the individual placement agreements this process was still embedding.
Use of Pool Cars (Zipcar)	Richard Simpson	High	Limited	A recommendation was raised as whilst individual users have signed 'User Agreements', appropriate guidance, in particular for the enforcement of the scheme by their line managers was not in place. A recommendation was raised as some users had incurred four or more penalty charges (for non-usage, late return or to cover the administrative charge of fines) over the three-month period examined with no recovery action taken.
Employee Expenses (via One Oracle)	Richard Simpson	High	Limited	A recommendation was raised as 67% of personal expenditure transactions examined were not supported by receipts.
EMS Application	Richard Simpson	High	Limited	A recommendation was raised due to the absence of an effective disaster recovery plan for the EMS application.
Community Care Payments	Barbara Peacock	High	Limited	A recommendation was raised as commitments were being raised after the service provision start date, with 38% of those examined in excess of three weeks. A recommendation was raised as weekly payment runs for Domiciliary Care services were not being authorised before being exported to One Oracle for payment. <b>(Going forward these issues will be followed up as part of the 2016/17 Community Care Payments audit)</b>
ICT ~Service Delivery Framework	Richard Simpson	High	Limited	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.

12. Appendix 5 shows the 2016/17 follow-up audit undertaken to date and the number of recommendations raised and implemented. 92% of the total recommendations were found to have been implemented and 50% of the priority 1 recommendations which have been followed up have been implemented. The outstanding priority 1 recommendation is detailed below:

Audit Title	Executive Director Responsible	Risk Level	Assurance Level	Summary of issues arising in priority 1 recommendations
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,

## Appendix 1 - Key issues from 2016/17 finalised audits

Audit Title	Risk Level	Assurance Level & Number of Issues	Summary of key issues raised.
<b>Non School Audits</b>			
Client Management - Octavo Partnership	High	Limited (Four Priority 1 and two Priority 2 recommendations)	<p>The service charges paid to Octavo were not in accordance with the fees set out in the contract and there was an inadequate audit trail showing how these were varied</p> <p>The responsibility for monitoring receipt of rental payments from Octavo and levying interest payments is unclear</p> <p>Monitoring of compliance with the Education Services specification is inconsistent and evidence of robust monitoring of KPIs could not be provided</p> <p>Minutes to the Strategic and Project Boards responsible for Octavo contract management were requested but could not be provided</p>
Disabled Facilities Grants	High	Limited (Two Priority 1, four Priority 2 and six Priority 3 recommendations)	<p>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.</p> <p>A priority 1 recommendation was raised as the Disabled Facilities Grants Statistics for 2015/16 highlighted that 4 of the 96 approved applications were approved after the statutory deadline of 6 months.</p>
Council Tax	High	Substantial (Two Priority 2 and one Priority 3 recommendation)	No priority 1 recommendations were raised.
Empty Property Grants	High	Substantial (Five Priority 2 and one Priority 3 recommendation)	No priority 1 recommendations were raised.
Gifts and Hospitality (Officers and Members)	High	Substantial Three Priority 2 and four Priority 3 recommendations)	No priority 1 recommendations were raised.
HMRC Compliance	High	Substantial (Five Priority 2 recommendations)	No priority 1 recommendations were raised.
Housing Benefits	High	Substantial (Two Priority 2 and two Priority 3 recommendations)	No priority 1 recommendations were raised.
Housing Registration and Allocations	High	Substantial (Eight Priority 2 recommendations)	No priority 1 recommendations were raised.
Housing Rents	High	Substantial (Five Priority 2 and two Priority 3 recommendations)	No priority 1 recommendations were raised.
Hyperion Application	High	Substantial (Two Priority 2 and seven Priority 3 recommendations)	No priority 1 recommendations were raised.
Licensing Income	High	Substantial	No priority 1 recommendations were raised.

		(One Priority 2 and one Priority 3 recommendation)	
Main Accounting System	High	Substantial (Three priority 2 and three Priority 3 recommendations)	No priority 1 recommendations were raised.
Payments to Schools	High	Substantial Two priority 2 and two Priority 3 recommendations)	No priority 1 recommendations were raised.
Payroll	High	Substantial (Two priority 2 and one Priority 3 recommendation)	No priority 1 recommendations were raised.
Pension Fund Investments	High	Substantial (One Priority 1, one Priority 2 and two Priority 3 recommendations)	One priority 1 recommendation was raised as the Pension Fund Investment Manager does not have the delegated authority to approve the purchase of goods/services, invoice payments or for the settlement of any account on behalf of the Council.
Prevent Agenda	High	Substantial (One Priority 2 recommendation)	No priority 1 recommendations were raised.
Selective Licensing – Inspections and Enforcement	High	Substantial (Four Priority 2 and one Priority 3 recommendation)	No priority 1 recommendations were raised.
Children 0-5 Public Health Responsibility	High	Full (No recommendations were raised)	No priority 1 recommendations were raised.
Fire Safety (Housing Stock)	High	Full (No recommendations were raised)	No priority 1 recommendations were raised.
<b>Audit Title</b>	<b>Risk Level</b>	<b>Assurance Level &amp; Number of Issues</b>	<b>Summary of key issues raised.</b>
<b>School Audits</b>			
Christ Church CE Primary	Medium	Substantial (Three Priority 2 recommendations)	No priority 1 recommendations were raised
Coulsdon CE Primary	Medium	Substantial (One Priority 2 and one priority 3 recommendation)	No priority 1 recommendations were raised
Courtwood Primary	Medium	Substantial (One Priority 2 and one priority 3 recommendation)	No priority 1 recommendations were raised
Forestdale Primary	Medium	Substantial (Three Priority 2 recommendations)	No priority 1 recommendations were raised.
Greenvale Primary School	Medium	Substantial (Six Priority 2 recommendations)	No priority 1 recommendations were raised.
Kenley Primary	Medium	(Five Priority 2 and two Priority 3 recommendations)	No priority 1 recommendations were raised



Kensington Avenue Primary	Medium	Substantial (Six Priority 2 recommendations)	No priority 1 recommendations were raised
Keston Primary	Medium	Substantial (Thirteen Priority 2 recommendations)	No priority 1 recommendations were raised
Monks Orchard Primary	Medium	Substantial (Two Priority 2 recommendations)	No priority 1 recommendations were raised.
Park Hill Junior	Medium	Substantial (One Priority 2 recommendation)	No priority 1 recommendations were raised.
Park Hill Infants	Medium	Substantial (One Priority 2 recommendation)	No priority 1 recommendations were raised.
Ridgeway Primary	Medium	Substantial (Three Priority 2 recommendations)	No priority 1 recommendations were raised.
Smitham Primary	Medium	Substantial (Four Priority 2 and two Priority 3 recommendations)	No priority 1 recommendations were raised
St Peter's Primary	Medium	Substantial (Six Priority 2 and three Priority 3 recommendations)	No priority 1 recommendations were raised
Red Gates School	Medium	Substantial (Three Priority 2 and eight Priority 3 recommendations)	No priority 1 recommendations were raised
St Giles School	Medium	Substantial (Five Priority 2 and four Priority 3 recommendations)	No priority 1 recommendations were raised
St Nicholas School	Medium	Substantial (Two Priority 2 and four Priority 3 recommendations)	No priority 1 recommendations were raised
Beckmead School	Medium	Full (Four Priority 3 recommendations)	No priority 1 recommendations were raised.
Downsview Primary	Medium	Full (No recommendations)	No priority 1 recommendations were raised.
Gresham Primary	Medium	Full (One Priority 3 recommendation)	No priority 1 recommendations were raised.
St Johns CE Primary	Medium	Full (Two Priority 3 recommendations)	No priority 1 recommendations were raised.

## Appendix 2 - Follow-up of 2013/14 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>							
2013/14	Procurement – Strategy, Governance and Communication	Richard Simpson	High	Substantial (3 <sup>rd</sup> follow up in progress)	3	1	33%
<b>Non School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>165</b>	<b>162</b>	<b>98%</b>
<b>Non School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>25</b>	<b>25</b>	<b>100%</b>
<b>School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>359</b>	<b>318</b>	<b>89%</b>
<b>School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>30</b>	<b>30</b>	<b>100%</b>
<b>Recommendations and implementation from audits that have had responses</b>					<b>524</b>	<b>499</b>	<b>95%</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>55</b>	<b>55</b>	<b>100%</b>

## Appendix 3 - 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	Corporate and Departmental Asset Management	Richard Simpson	High	Limited (3 <sup>rd</sup> follow up in progress)	9	7	78%
2014/15	SEN Transport	Richard Simpson	High	Limited (2 <sup>nd</sup> follow up in progress)	2	0	0%
2014/15	Direct Payments	Barbara Peacock	High	Limited (3 <sup>rd</sup> follow up in progress)	5	3	60%
2014/15	Substance Misuse	Barbara Peacock	High	Limited (1 <sup>st</sup> follow up in progress)	7	-	-
2014/15	SharePoint roll out and usage	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2014/15	Programme and Projects Management – New Addington Phase 2	Shifa Mustafa	High	Substantial (2 <sup>nd</sup> follow up in progress)	2	1	50%
2014/15	Financial Management of the Coroner's Service	Richard Simpson	High	Substantial (2 <sup>nd</sup> follow up in progress)	5	2	40%
2014/15	Agency Use and the New Recruitment Drive	Barbara Peacock	High	Substantial (2 <sup>nd</sup> follow up in progress)	3	1	33%
2014/15	Contract Management Framework	Richard Simpson	High	Substantial (2 <sup>nd</sup> follow up in progress)	7	0	0%
2014/15	Express Electoral Registration	Richard Simpson	High	Substantial (2 <sup>nd</sup> follow up in progress)	5	3	60%
2014/15	AIS Application	Richard Simpson	High	Substantial (3 <sup>rd</sup> follow up in progress)	6	4	67%
<b>Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>272</b>	<b>234</b>	<b>86%</b>
<b>Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>27</b>	<b>27</b>	<b>100%</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>543</b>	<b>482</b>	<b>89%</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>56</b>	<b>56</b>	<b>100%</b>

## Appendix 4 - 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 (2 <sup>nd</sup> follow up in progress)	9	8	89%
2015/16	Contract Management & Governance of Adult Social Care Providers	Barbara Peacock	High	Limited (1 <sup>st</sup> follow up completed)	6	4	66%
2015/16	Performance Monitoring Adult Social Care	Barbara Peacock	High	Limited (1 <sup>st</sup> follow up in progress)	9	-	-
2015/16	Community Care Payments	Barbara Peacock	High	Limited (follow up in progress with 2016/17 audit)	7	2	29%
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 (3 <sup>rd</sup> follow up in progress)	4	1	25%
2015/16	Employee Expenses (via One Oracle)	Richard Simpson	High	Limited (2 <sup>nd</sup> follow up in progress)	6	1	17%
2015/16	Adoption	Barbara Peacock	High	Limited (1 <sup>st</sup> follow up in progress)	4	-	-
2015/16	Fostering	Barbara Peacock	High	Limited (2 <sup>nd</sup> follow up in progress)	5	1	20%
2015/16	Software Licensing	Richard Simpson	High	Limited (3 <sup>rd</sup> follow up in progress)	8	5	63%
2015/16	EMS Application	Richard Simpson	High	Limited (4 <sup>th</sup> follow up in progress)	4	1	25%
2015/16	Old Town Building Frontages	Shifa Mustafa	High	Limited (1 <sup>st</sup> follow up in progress)	5	-	-
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 (2 <sup>nd</sup> follow up in progress)	8	5	63%
2015/16	Open Book Accounting	Shifa Mustafa	High	Limited (1 <sup>st</sup> follow up in progress)	11	-	-
2015/16	Council Tax	Richard Simpson	High	Substantial	4	4	100%

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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	NDR – Non Domestic Rates	Richard Simpson	High	Substantial (No further follow up planned)	3	3	100%
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 (1 <sup>st</sup> follow up in progress)	1	-	-
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 (1 <sup>st</sup> follow up in progress)	7	-	-
2015/16	Childcare Provision	Barbara Peacock	High	Substantial (2 <sup>nd</sup> follow up in progress)	6	3	50%
2015/16	Integrated Commissioning	Barbara Peacock	High	(1 <sup>st</sup> follow up in progress)	3	-	-
2015/16	Gifts and Hospitality	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	3	-	-
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 (1 <sup>st</sup> follow up in progress)	4	-	-
2015/16	Heart Town Initiative Programme Management	Barbara Peacock	High	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
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 (1 <sup>st</sup> follow up in progress)	6	-	-
2015/16	Asset Sales	Richard Simpson	High	Substantial (2 <sup>nd</sup> follow up in progress)	6	3	50%
2015/16	Croydon Challenge (Programme Management)	Richard Simpson	High	Substantial	6	5	84%

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	Risk Management	Richard Simpson	High	Substantial (No further follow up planned)	1	1	100%
2015/16	EMS Data Quality	Shifa Mustafa	High	Substantial (2nd <sup>d</sup> follow up in progress)	4	3	75%
2015/16	Pension Fund Admitted Bodies	Richard Simpson	High	Substantial (No further follow up planned)	1	1	100%
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 (1 <sup>st</sup> follow up in progress)	2	-	-
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 (2 <sup>nd</sup> follow up in progress)	2	0	0%
2015/16	Internal Network	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
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 (1 <sup>st</sup> follow up in progress)	4	-	-
2015/16	EU Procurement Directives	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
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>182</b>	<b>120</b>	<b>66%</b>
<b>Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>22</b>	<b>13</b>	<b>59%</b>
<b>School Audits</b>							
2015/16	Margaret Roper	Barbara Peacock	Medium	Limited (1 <sup>st</sup> follow up in progress)	15	-	-
2015/16	St Mary's RC High	Barbara Peacock	Medium	Limited (1 <sup>st</sup> follow up in progress)	7	-	-
2015/16	Beaumont Primary School	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
2015/16	Beulah Junior	Barbara Peacock	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	Elmwood Infants	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	5	-	-
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	Good Shepherd Catholic	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
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	Norbury Manor	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
2015/16	The Minster Junior	Barbara Peacock	Medium	Substantial (2 <sup>nd</sup> follow up in progress)	2	0	0%
2015/16	The Minster Nursery and Infants	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
2015/16	Purley Oaks Primary	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	6	-	-

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
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 (1 <sup>st</sup> follow up in progress)	10	-	-
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 (1 <sup>st</sup> follow up in progress)	4	-	-
2015/16	St Joseph's RC Federation	Barbara Peacock	Medium	Substantial (No further follow up)	3	3	100%
2015/16	Archbishop Tenison's C of E High School	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	4	-	-
<b>School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>30</b>	<b>28</b>	<b>93%</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>212</b>	<b>149</b>	<b>70%</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>22</b>	<b>13</b>	<b>59%</b>



## Appendix 5 - 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	Disabled Facilities Grants	Barbara Peacock	High	Limited (2 <sup>nd</sup> follow up in progress)	12	11	92%
2016/17	Licensing Income	Shifa Mustafa	High	Substantial (1 <sup>st</sup> follow up in progress)	2	-	-
2016/17	Hyperion Application	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	9	-	-
<b>Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>12</b>	<b>11</b>	<b>92%</b>
<b>Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>2</b>	<b>1</b>	<b>50%</b>

## Appendix 6 - Statement of Responsibility

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

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. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all 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. Our procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our work and to ensure the authenticity of such material. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

### **Mazars Public Sector Internal Audit Limited**

**London**

**February 2017**

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