



# London Borough of Croydon

## London Borough of Croydon Internal Audit Annual Report for the year ended 31 March 2017

### **Status of Our Reports**

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

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

Please refer to the Statement of Responsibility set out in appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

# Contents

## Page

EXECUTIVE SUMMARY	2
2016/17 YEAR OPINION	7
APPENDIX 1 – WORK AGAINST AUDIT PLAN	12
APPENDIX 2 – SUMMARY OF PRIORITY ONE RECOMMENDATIONS	15
APPENDIX 3 - FOLLOW-UP OF 2013/14 AUDITS	18
APPENDIX 4 - FOLLOW-UP OF 2014/15 AUDITS	19
APPENDIX 5 - FOLLOW-UP OF 2015/16 AUDITS	20
APPENDIX 6 - FOLLOW-UP OF 2016/17 AUDITS	25
APPENDIX 7 - STATEMENT OF RESPONSIBILITY	28

# 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 2017 that is published with the statement of accounts for the year ended 31 March 2017.

## 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 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 2016/17, including our assessment of the London Borough of Croydon corporate governance and risk management processes and information technology governance.

The internal audit plan for 2016/17 was developed to primarily provide management with independent assurance on the adequacy and effectiveness of the systems of internal control.

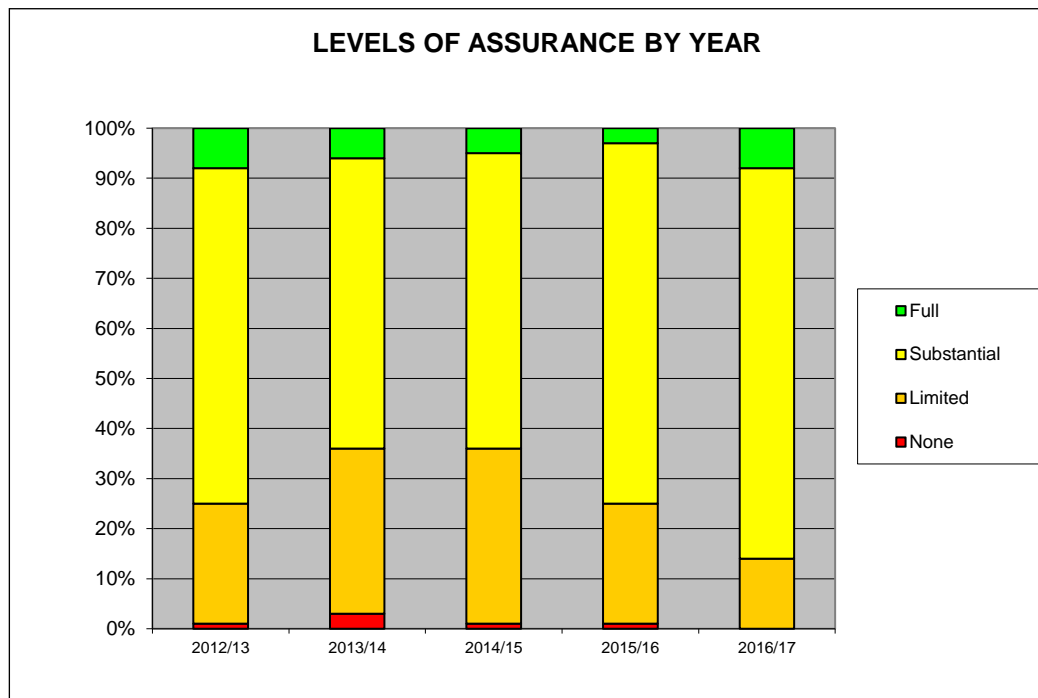
## Basis of Assurance

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 organisations 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.

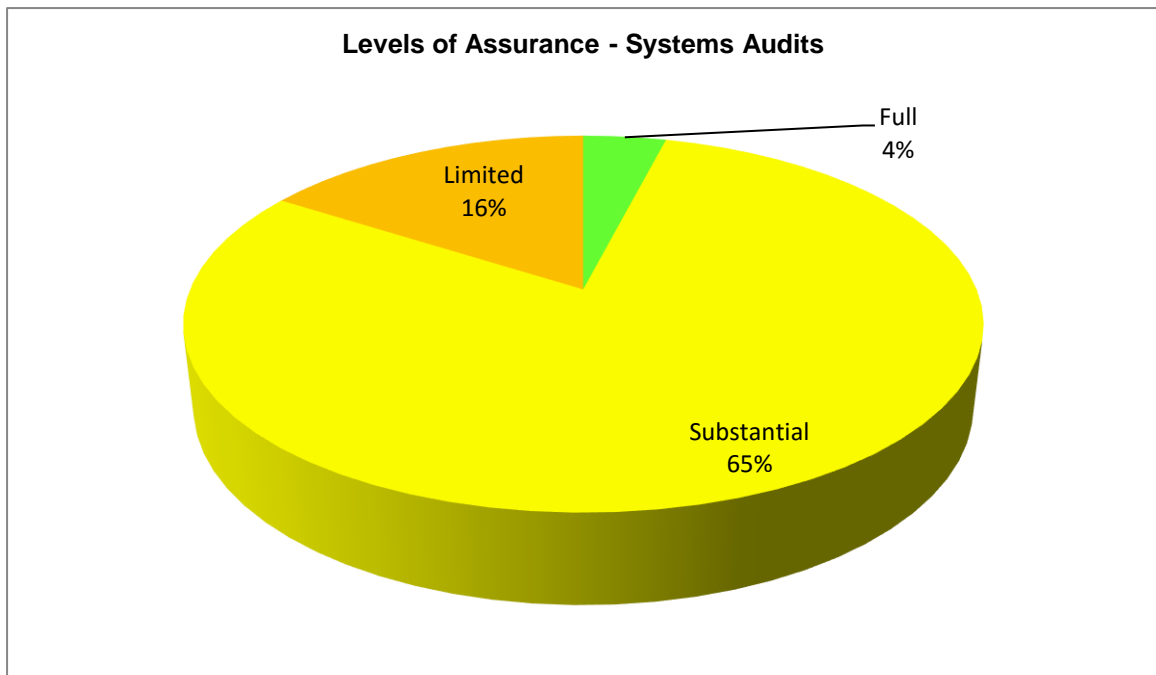
Our work for the year to 31 March 2017 was completed in line with the operational plan.

Graph 1 – Assurance Levels

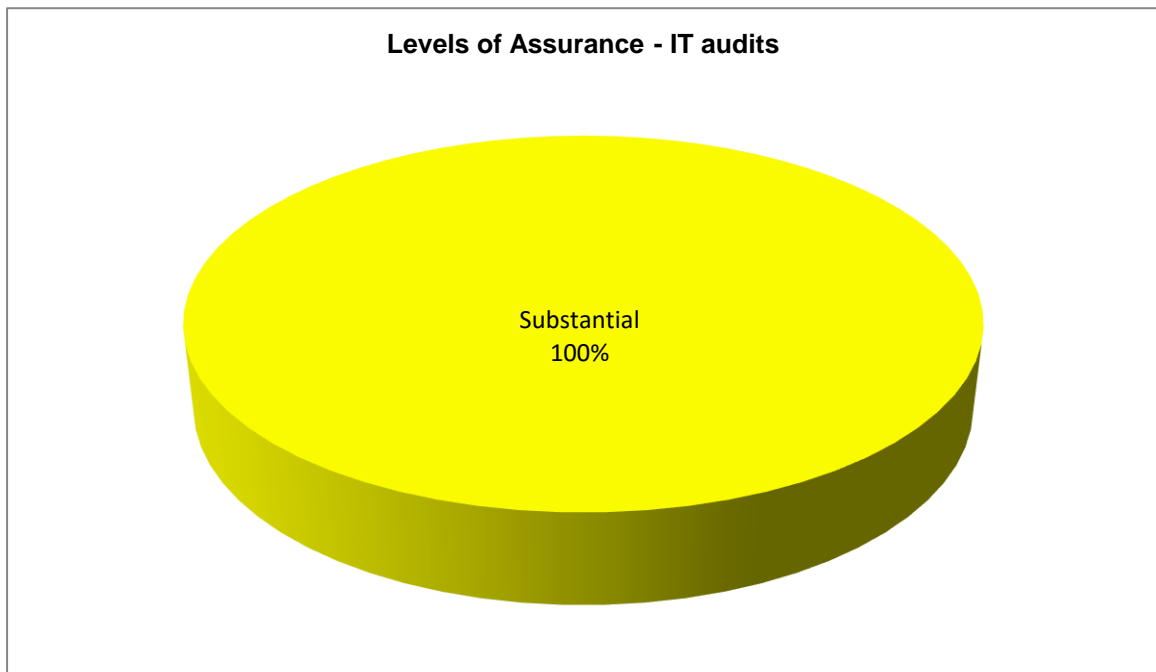


	2012/13	2013/14	2014/15	2015/16	2016/17
Full Assurance	8%	6%	5%	3%	8%
Substantial Assurance	67%	57%	59%	72%	78%
Limited Assurance	24%	34%	35%	24%	14%
No Assurance	1%	3%	1%	1%	0%

**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 finalised limited and no assurance reports is lower than the number issued at the same point for 2015/16 finalised reports.

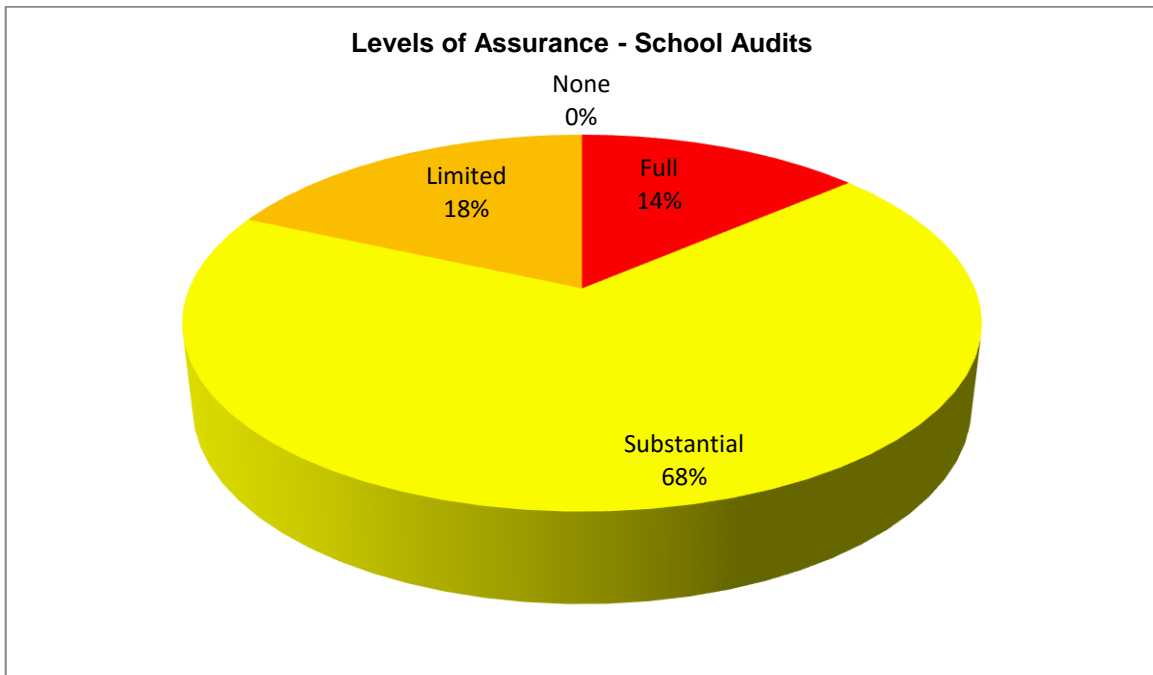
**Graph 2 – Levels of Assurance – Systems Audits**

**Graph 2** shows the percentage of final reports issued per level of assurance achieved on all the full systems audited. This shows that 84% of the systems audited, including the core Council financial systems, achieved an assurance level of Substantial or Full. This is an increase in performance from 2015/16 which was 77% for finalised reports.

**Graph 3 – Levels of Assurance – IT Audits**

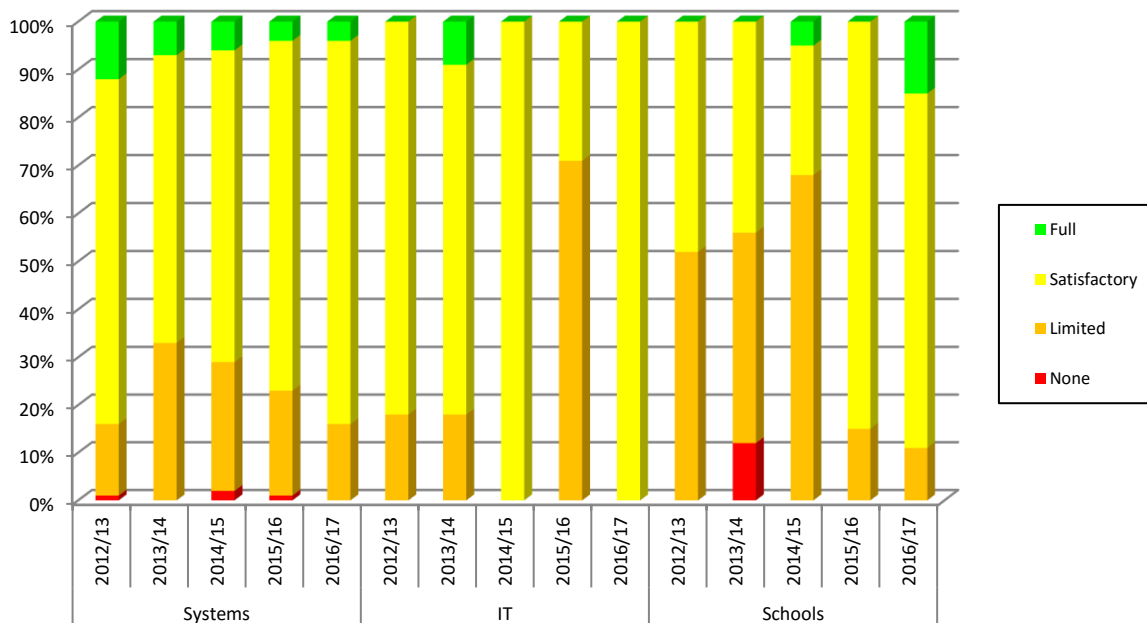
**Graph 3** shows the percentage of final audit report issued per level of assurance for the computer audit programme of work. This shows that 100% (1 out of 1) of the computer audits that were finalised at the time of producing this report achieved an assurance level of Substantial. For 2015/16 it was 29% (2 out of 7 audits).

**Graph 4 – Levels of Assurance – School Audits**



**Graph 4** shows the results of the schools audit programme. A total of 89% of all locations visited resulted in a Full or Substantial Assurance where the report has been finalised. This is slightly better than the performance in 2015/16, which was 85%, and maintains the marked improvement on previous years (32% in 2014/15 and 44% in 2013/14)

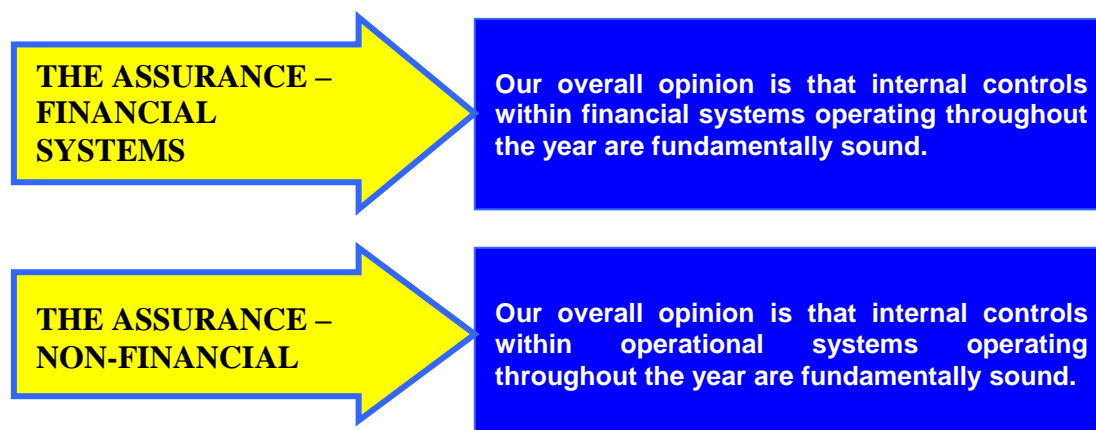
**COMPARISON OF ASSURANCE BY AUDIT TYPE 2010/11 TO 2016/17**



## 2016/17 Year Opinion

### Internal Control

From the Internal Audit work undertaken in 2016/17, 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 2017 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 2015/16 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;
  - an unqualified VfM (Value for Money) conclusion, where they were satisfied that the Council had 'put in place proper arrangements to ensure economy, efficiency and effectiveness in [its] use of resources during the year ended 31 March 2016', and
  - an unqualified opinion on the council's Whole of Government Accounts submission, stating that the pack was consistent with the audited financial statements
- The statement provided by Grant Thornton in their 'The Audit Plan for Croydon Council' issued in February 2016, where based on the 'Results of interim audit work' that, 'Overall, we have concluded that the internal audit service provides an independent and satisfactory service and that internal audit work contributes to an effective internal control environment. Our review of internal audit work has not identified any weaknesses which impact on our audit approach.
- The Assistant Chief Executive (Corporate Resources and Section 151 Officer)'s assessment of the internal audit function assessment of the Internal Audit function submitted to the General Purposes and Audit Committee on 29 June 2016.
- 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. 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 2015/16 Audit, where:
  - no significant weaknesses in the internal control arrangements were identified, and
  - 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 by management and with our knowledge of you.'
- 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
- our 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.

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

May 2017

# 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 2016/17 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 2016/17, two key and related issues were identified.

- Significant recommendations were raised due to a lack of compliance with the Councils Contracts and Tenders regulations, including contract formalities and the retention and availability of key documents;
- Significant recommendations were raised relating to contract management, including weaknesses in active monitoring and physical checking.

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; these have been reviewed and updated in year in agreement with the Council. 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 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.
- A Risk Management toolkit is available on the intranet providing an information source for all Council staff.

## Audit Plan

The Audit Plan for 2016/17 was compiled using the Council's Risk Registers as the key drivers in developing audit coverage, as well as detailed discussions with CLT members, departmental management teams, and the External Auditors. The 2016/17 audit plan was approved by the General purposes and Audit Committee on 25<sup>th</sup> March 2016.

All audit fieldwork is complete for audits relating to the 2016/17 year programme. The 2016/17 Internal Audit plan is provided in Appendix 1 for information. The schedule shows the number of recommendations raised in each audit during 2016/17 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%	53%
% of draft reports issued within 2 weeks of exit meeting with the Client	85%	85%
Number of draft reports	104	104

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 (to date*)	Performance 2014/15 (to date*)	Performance 2015/16 (to date*)	Performance 2016/17 (to date*)
Percentage of priority one recommendation implemented at the time of the follow up audit	90%	100%	99%	59%	86%
Percentage of all recommendations implemented at the time of the follow up audit	80%	95%	89%	76%	95%

\* The follow ups of 2013/14 audits are almost complete, with 1 audit still being followed up. Not all 2016/17 audits have yet been subject to follow up action (the results of those 2013/14, 2014/15, 2015/16 and 2016/17 audits that have been followed up are included in Appendixes 3, 4, 5 and 6 respectively).

## Quality and Compliance with the Public Sector Internal Audit Standards

Internal Audit has comprehensive quality control and assurance processes in place and is ISO 9001:2008 accredited. ISO 9001:2008 is an internationally recognised standard for an organisations internal quality management. This provides an independent assurance of the performance, quality and effectiveness at both the individual audit level and the internal audit service as a whole.

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

## Appendix 1 – Work against audit plan

2016/17 Audit Plan	System Priority	Department	Assurance	Recommendations			Total Raised
				Priority			
				1	2	3	

KEY FINANCIALS/ IAS 315 REVIEWS							
Community Care Payments	High	People		Report is still draft			
Council Tax	High	Resources	Substantial	0	2	1	3
Creditors (inc P2P)	High	Resources	Limited	1	4	0	5
Debtors	High	People	Substantial	0	6	3	9
Housing Benefits	High	Resources	Substantial	0	2	2	4
Housing Rents & Accounting	High	People	Substantial	0	5	2	7
Housing Repairs	High	Place	Substantial	0	2	2	4
Main Accounting System	High	Resources	Substantial	0	3	3	6
Business Rates	High	Resources	Substantial	0	3	4	7
Parking Enforcement & Income	High	Place	Substantial	0	5	0	5
Payments to Schools	High	Resources	Substantial	0	2	2	4
Payroll	High	Resources	Substantial	0	2	1	3
Pension Administration	High	Resources	Substantial	0	1	3	4
Pension Fund Investments	High	Resources	Substantial	1	1	2	4
Treasury Management	High	Resources	Substantial	0	2	0	2
<b>Total Key Financials Audits</b>				<b>2</b>	<b>40</b>	<b>25</b>	<b>67</b>

CORPORATE RISK REGISTER AUDITS							
Budget Monitoring – Volatile Budget Areas	High	Resources		Report is still draft			
Gifts and Hospitality (Officers and Members)	High	Resources	Substantial	0	3	4	7
HMRC Compliance	High	Resources	Substantial	0	5	0	5
Use of Agency Staff and Consultants	High	Resources		Report is still draft			
Sickness Absence Management	High	Resources	Substantial	0	4	1	5
Establishment Control	High	Resources	Substantial	0	4	0	4
<b>Total Corporate Risk Register Audits</b>				<b>0</b>	<b>16</b>	<b>5</b>	<b>21</b>

DEPARTMENTAL RISK REGISTER AUDITS							
Adult Care Packages	High	People		Report is still draft			
Adult Social Care - Caseload Management	High	People	Limited	1	4	2	7
Adults Self-funding Income (Deferred Payments)	High	People	Limited	3	5	0	8
Client Management of Octavo	High	People	Limited	4	2	0	6
Continuing Healthcare	High	People		Report is still draft			
Disabled Facility Grants	High	People	Limited	2	4	6	12
Empty Property Grants	High	People	Substantial	0	5	1	6
Housing Registration and Allocations	High	People	Substantial	0	8	0	8

## Appendix 1

Outcome Based Commissioning for Over 65's	High	People	Substantial	0	5	0	5
Suppliers of Temporary Accommodation	High	People	Report is still draft				
Top 50 Families review - lessons Learned and Deliverables	High	People	Substantial	0	3	0	3
Anti-social Behaviour Powers	High	Place	Substantial	0	7	2	9
Charging for Household Green Waste	High	Place	Substantial	0	7	0	7
Contract Monitoring and Management (Streets Division)	High	Place	Report is still draft				
Flood Management Plan	High	Place	Substantial	0	5	2	7
Fire Safety (Housing Stock)	High	Place	Full	0	0	0	0
Licensing Income	High	Place	Substantial	0	1	1	2
Pathways to Employment / Job Brokerage Service	High	Place	Limited	1	2	5	8
Prevent Agenda	High	Place	Substantial	0	1	0	1
Project Assurance (Place)	High	Place	Substantial	0	3	0	3
Regeneration Partnerships: South London Partnership	High	Place	Substantial	0	1	1	2
S106 - Negotiating, Charging and Use of Funds	High	Place	Substantial	0	3	0	3
Selective Licensing - Inspections and Enforcement	High	Place	Substantial	0	4	1	5
Children 0-5 Public Health Responsibility	High	Resources	Full	0	0	0	0
Clinical Governance - Risk of bad Outcome form an Intervention	High	People	Substantial	0	3	0	3
Commercial use of BWH	High	Resources	Substantial	0	3	0	3
Commissioning Solicitors Internally	High	Resources	Report is still draft				
Debt Recovery and use of Bailiffs	High	Resources	Substantial	0	2	0	2
Fairfield Delivery	High	Resources	Substantial	0	2	0	2
Information Management - Information Asset Register	High	Resources	Report is still draft				
Memorandum Of Understanding with CCG	High	Resources	Substantial	0	4	0	4
MTFP (Medium Term Financial Strategy)	High	Resources	N/A	-	-	-	-
Organisational Tech Refresh (Project Management)	High	Resources	Report is still draft				
Public Health Integration Funding	High	People	Substantial	0	5	0	5
<b>Total Departmental Risk Register Audits</b>				<b>11</b>	<b>89</b>	<b>21</b>	<b>100 121</b>

<b>COMPUTER AUDITS</b>							
Hyperion Application Review	High	Resources	Substantial	0	2	7	9
Citrix Security Operating System	High	Resources	Report is still draft				
Cloud Services (Azure)	High	Resources	Report is still draft				
Windows Operating System Security	High	Resources	Report is still draft				
Bring Your Own Device	High	Resources	Report is still draft				
Service Desk (Capita)	High	Resources	Report is still draft				
Internet / Intranet Security (both outsourced to TSO)	High	Resources	Report is still draft				
WAN Connectivity	High	Resources	Report is still draft				
Windows Gold Build Operating System Security	High	Resources	Report is still draft				
<b>Total Computer Audits</b>				<b>0</b>	<b>2</b>	<b>7</b>	<b>9</b>

<b>CONTRACT AUDITS</b>							
Service and Maintenance of Fire Alarms and Emergency Lighting Contract	High	Place	Substantial	0	1	1	2
Microsoft Office Enterprise Software Agreement - Procurement Compliance	High	Resources	Report is still draft				
Independent Fostering Agencies - Procurement Compliance	High	Resources	Report is still draft				
Procurement of Consultants, Caterham Bourne Flood Alleviation Scheme	High	Place	Report is still draft				
Community Fund	High	Resources	Report is still draft				
Contract and Tender Regulation Compliance	High	Resource	Report is still draft				
Facilities Management - Cleaning Services Contract	High	Resource	Substantial	1	3	3	7
Ark Oval Primary School – Primary Schools Expansion Programme	High	Place	Report is still draft				
Procurement of Consultants - Thornton Heath Building Front Improvements	High	Place	Report is still draft				
London Road (Section A) - Public Realm Improvements - Vertical Construction Contract Audit	High	Place	Report is still draft				
Contract Formalities and Storage of Contracts	High	Resources	Limited	3	1	0	4
<b>Total Computer Audits</b>				<b>4</b>	<b>5</b>	<b>4</b>	<b>13</b>

<b>SCHOOLS AUDITS</b>							
Christ Church CE Primary	Medium	People	Substantial	0	4	1	5
Coulsdon C of E Primary	Medium	People	Substantial	0	1	1	2
Courtwood Primary	Medium	People	Substantial	0	1	1	2
Downsview Primary	Medium	People	Full	0	0	0	0
Forestdale Primary	Medium	People	Substantial	0	3	0	3
Greenvale Primary School	Medium	People	Substantial	0	6	0	6
Gresham Primary	Medium	People	Full	0	0	1	1
The Hayes Primary	Medium	People	Limited	1	4	7	12
Kenley Primary	Medium	People	Substantial	0	5	2	7
Kensington Avenue Primary	Medium	People	Substantial	0	6	0	6
Keston Primary	Medium	People	Substantial	0	13	0	13
Monks Orchard Primary School	Medium	People	Substantial	0	2	0	2
Orchard Way Primary	Medium	People	Substantial	0	8	4	12
Park Hill Junior	Medium	People	Substantial	0	1	0	1
Park Hill Infants	Medium	People	Substantial	0	1	0	1
Ridgeway Primary	Medium	People	Substantial	0	3	0	3
Smitham Primary	Medium	People	Substantial	0	4	2	6
Regina Coeli RC Primary	Medium	People	Limited	1	4	3	8
St John's Cof E Primary	Medium	People	Full	0	0	2	2
St Peters Primary	Medium	People	Substantial	0	6	3	9
Selhurst Children's Centre	Medium	People	Report is still draft				
St Andrews C of E High	Medium	People	Report is still draft				
Archbishop Tenison's Cof E	Medium	People	Substantial	1	4	3	8
Thomas More	Medium	People	Substantial	0	2	5	7

Virgo Fidelis High	Medium	People	Report is still draft				
Beckmead Special School	Medium	People	Full	0	0	4	4
Bensham Manor MLD Secondary	Medium	People	Limited	4	7	4	15
Redgates SLD & Autism	Medium	People	Substantial	0	3	8	11
St Giles School	Medium	People	Substantial	0	5	4	9
St Nicholas MLD & Autism Primary	Medium	People	Substantial	0	2	4	6
<b>Total Computer Audits</b>				<b>7</b>	<b>95</b>	<b>59</b>	<b>161</b>
<b>Total Recommendations</b>				<b>24</b>	<b>247</b>	<b>121</b>	<b>392</b>

## Appendix 2 – Summary of Priority One Recommendations

Audit Title	Risk Level	Assurance Level & Number of Issues	Summary of key issues raised.
<b>KEY FINANCIALS/ IAS 315 REVIEWS</b>			
Creditors (inc P2P)	High	Limited (One Priority 1, and four Priority 2 recommendations raised)	A priority 1 recommendation was raised as sample testing identified that VAT was being reclaimed on rental payments where valid VAT invoices were not held, instead subsequent VAT certificates were being obtained by the Estates Services Team. However, for the payment sampled the subsequent VAT certificate had not yet been obtained at the time of audit and a proper process was not in place to monitor the submission of subsequent VAT invoices.
Pension Fund Investments	High	Substantial (One Priority 1, one Priority 2 and two Priority 3 recommendations raised)	A priority 1 recommendation was raised as examination of the Council's Scheme of Financial Delegation established that there was no delegation to the Pension Fund Investment Manager for the management of the pension fund. Furthermore, as the Pension Fund Investment Manager had not signed a delegated signatory form, he did not have any delegated financial authority at all.
<b>DEPARTMENTAL RISK REGISTER AUDITS</b>			
Adult Social Care – Caseload Management	High	Limited (One Priority 1, four Priority 2 and two Priority 3 recommendations raised)	A priority 1 recommendation was raised as there were a significant number of cases, some dating back some time, on the respective team waiting lists as at 20 September 2016.
Adult Self- Funding Income (Deferred Payments)	High	Limited (Three Priority 1 and five Priority 2 recommendations)	<p>A priority 1 recommendation was raised as deferred payment agreements were being signed on behalf of the Council by staff without delegated authority to do so.</p> <p>A priority 1 recommendation was raised as sample testing of 8 clients in the Deferred Payments Scheme identified that legal charges had not been registered on the property of 4 of these clients.</p> <p>A priority 1 recommendation was raised as sample testing of 9 clients in the Deferred Payments Scheme identified that evidence of appropriate insurance cover over the property of five of the clients was not available.</p>
Client Management of Octavo	High	Limited (Four Priority 1 and two Priority 2 recommendations raised)	<p>A priority 1 recommendation was raised as 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>A priority 1 recommendation was raised as the responsibility for monitoring receipt of rental payments from Octavo and levying interest payments is unclear.</p> <p>A priority 1 recommendation was raised as monitoring of compliance with the Education Services specification is</p>



			<p>inconsistent and evidence of robust monitoring of KPIs could not be provided.</p> <p>A priority 1 recommendation was raised as 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 raised)	<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 non-compliance 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>
Pathways to employment / Job Brokerage Service	High	Limited (Two Priority 1 and seven Priority 2 recommendations raised)	<p>A priority 1 recommendation was raised as, although personal data is collected, processed and shared, appropriate data sharing agreements and fair processing notices were not in place in order to comply with the Data Protection Act 1998.</p>

Audit Title	Risk Level	Assurance Level & Number of Issues	Summary of key issues raised.
<b>CONTRACT AUDITSS</b>			
Facilities Management – Cleaning Contract	High	Substantial (One Priority 1, three Priority 2 and three Priority 3 recommendations)	<p>A priority 1 recommendation was raised as the Cleaning Services delivery commenced in July 2016, but the contract has not yet been executed.</p>
Contract Formalities and Storage of Contracts	High	Limited (Three Priority 1 and one Priority 2 recommendations)	<p>A priority 1 recommendation was raised as formal contracts are not in place for all of the contracts sampled.</p> <p>A priority 1 recommendation was raised as the contracts were not all held securely in the Deeds Room or an alternative secure location.</p> <p>A priority 1 recommendation was raised as electronic, signed definitive versions of the contract are not available to contract managers.</p>

<b>SCHOOL AUDITS</b>			
The Hayes Primary	Medium	Limited (One Priority 1, four Priority 2 and seven Priority 3 recommendations)	<p>A priority 1 recommendation was raised as the School's three year budget plan predicts a deficit of £76,876 for 2016/17, a deficit of £188,287 for 2017/18 &amp; a deficit of £326,110 for 2018/19; however a plan has not yet been agreed with the Council, in line with the Scheme for Financing Schools, to eliminate the deficit.</p>
Regina Coeli Primary	Medium	Limited (One Priority 1, three Priority 2 and three Priority 3 recommendations)	<p>A priority 1 recommendation was raised as examination of a sample of 20 transactions identified that in all cases the authorisation of the orders and subsequent invoices for payment was not in accordance with the School's scheme of financial delegation included in the School's Financial Policy and Procedures Manual 2016-2017.</p>
Archbishop Tenison's C of E	Medium	Substantial (One Priority 1, four Priority 2 and three Priority 3 recommendations)	<p>A priority 1 recommendation was raised as some petty cash expenditure was not in line with the 'Guidance for schools relating to the acceptable use of school (public) monies'. This related to staff parking outside the School.</p>
Bensham Manor	Medium	Limited (Four Priority 1, seven Priority 2 and four Priority 3 recommendations)	<p>A priority 1 recommendation was raised as there was no record of a DBS check for a governor in post since May 2014 and a number of staff DBS checks were conducted more than 3 years ago and were overdue for renewal.</p> <p>A priority 1 recommendation was raised as examination of a sample of 15 transactions identified ten instances where there was no evidence that goods / services received checks had been performed.</p>

			<p>A priority 1 recommendation was raised as examination of a sample of 15 transactions identified that none of these were evidenced as appropriately authorised.</p> <p>A priority 1 recommendation was raised as it was noted that a previous governor was still listed as a bank account signatory.</p>
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## Appendix 3 - 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 4 - 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	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	ALS Application	Richard Simpson	High	Substantial (5 <sup>th</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>236</b>	<b>87%</b>
<b>Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>27</b>	<b>26</b>	<b>96%</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>485</b>	<b>89%</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>56</b>	<b>55</b>	<b>99%</b>

## Appendix 5 - 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 (3 <sup>rd</sup> follow up in progress)	9	8	89%
2015/16	Contract Management & Governance of Adult Social Care Providers	Barbara Peacock	High	Limited (2 <sup>nd</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	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 (No further follow up planned)	6	6	100%
2015/16	Adoption	Barbara Peacock	High	Limited (2 <sup>nd</sup> follow up in progress)	4	1	25%
2015/16	Fostering	Barbara Peacock	High	Limited (3 <sup>rd</sup> follow up in progress)	5	2	40%
2015/16	Software Licensing	Richard Simpson	High	Limited (No further follow up planned)	8	8	100%
2015/16	EMS Application	Richard Simpson	High	Limited (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	Cyber Security	Richard Simpson	High	Limited (No further follow up planned)	2	2	100%
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	-	-

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2015/16	Council Tax	Richard Simpson	High	Substantial (No further follow up planned)	4	4	100%
2015/16	NDR – Non Domestic Rates	Richard Simpson	High	Substantial (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 (2nd 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 (No further follow up planned)	7	7	100%
2015/16	Childcare Provision	Barbara Peacock	High	Substantial (3 <sup>rd</sup> follow up in progress)	6	4	67%
2015/16	Integrated Commissioning	Barbara Peacock	High	(2nd follow up in progress)	3	1	33%
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 (2nd follow up in progress)	4	2	50%
2015/16	People Gateway Programme	Barbara Peacock	High	Substantial (No further follow up planned)	4	4	100%
2015/16	NHS Partnership with Public Health	Barbara Peacock	High	Substantial (2nd follow up in progress)	6	4	67%
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 (No further follow up planned)	6	5	84%
2015/16	Risk Management	Richard Simpson	High	Substantial (No further follow up planned)	1	1	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2015/16	EMS Data Quality	Shifa Mustafa	High	Substantial (No further follow up planned)	4	4	100%
2015/16	Pension Fund Admitted Bodies	Richard Simpson	High	Substantial (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 (No further follow up planned)	4	4	100%
2015/16	EU Procurement Directives	Richard Simpson	High	Substantial (2 <sup>nd</sup> follow up in progress)	2	-	-
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>233</b>	<b>166</b>	<b>73%</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>							

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
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	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	Cypress Primary	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	4	-	-
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	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 (No further follow up planned)	6	6	100%
2015/16	Rockmount	Barbara Peacock	Medium	Substantial (No f/up recs implemented at final report)	1	1	100%
2015/16	Selsdon	Barbara Peacock	Medium	Substantial (No further follow up planned)	4	4	100%
2015/16	St Chad's RC Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	10	10	100%-
2015/16	Winterbourne Infant & Nursery	Barbara Peacock	Medium	Substantial (No further follow up)	4	4	100%



Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
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%
<b>School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>46</b>	<b>44</b>	<b>100%</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>279</b>	<b>210</b>	<b>76%</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>22</b>	<b>13</b>	<b>59%</b>

## Appendix 6 - 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	Creditors (including P2P)	Richard Simpson	High	Limited (1 <sup>st</sup> follow up in progress)	5	-	-
2016/17	Client Management of Octavo Partnership	Barbara Peacock	High	Limited (No further follow up)	6	6	100%
2016/17	Disabled Facilities Grants	Barbara Peacock	High	Limited (2 <sup>nd</sup> follow up in progress)	12	11	92%
2016/17	Council Tax	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	3	-	-
2016/17	Housing Benefits	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	4	-	-
2016/17	Housing Rents and Accounting	Barbara Peacock	High	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2016/17	Main Accounting System	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	4	-	-
2016/17	Payments to Schools	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	4	-	-
2016/17	Payroll	Richard Simpson	High	Substantial (No further follow up)	3	3	100%
2016/17	Pension Fund Investments	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	4	-	-
2016/17	Declarations of Interests, Gifts and Hospitality	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2016/17	HMCR Compliance	Richard Simpson	High	Substantial (1 <sup>st</sup> follow up in progress)	5	-	-
2016/17	Empty Property Grants	Barbara Peacock	High	Substantial (No further follow up)	6	6	100%
2016/17	Housing Registration and Allocation	Barbara Peacock	High	Substantial (2 <sup>nd</sup> follow up in progress)	8	5	46%
2016/17	Top 50 Families Review	Barbara Peacock	High	Substantial (No further follow up)	3	3	100%
2016/17	Flood Management Plan	Shifa Mustafa	High	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2016/17	Licensing Income	Shifa Mustafa	High	Substantial (2 <sup>nd</sup> follow up in progress)	2	1	50%
2016/17	Prevent Agenda	Shifa Mustafa	High	Substantial (1 <sup>st</sup> follow up in progress)	1	-	-

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2016/17	Selective Licensing	Shifa Mustafa	High	Substantial (1 <sup>st</sup> follow up in progress)	5	-	-
2016/17	Hyperion Application	Richard Simpson	High	Substantial (No further follow up)	9	8	89%
<b>Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>49</b>	<b>43</b>	<b>80%</b>
<b>Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>6</b>	<b>5</b>	<b>63%</b>
<b>School Audits</b>							
2016/17	Bensham Manor	Barbara Peacock	Medium	Limited (1 <sup>st</sup> follow up in progress)	15	-	-
2016/17	The Hayes Primary	Barbara Peacock	Medium	Limited (1 <sup>st</sup> follow up in progress)	12	-	-
2016/17	Regina Coeli	Barbara Peacock	Medium	Limited (No further follow up)	7	6	86%
2016/17	Christ Church CE Primary	Barbara Peacock	Medium	Substantial (No further follow up)	4	4	100%
2016/17	Coulsdon C of E Primary	Barbara Peacock	Medium	(No further follow up)	2	2	100%
2016/17	Courtwood Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	2	2	100%
2016/17	Forestdale Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	3	3	100%
2016/17	Greenvale Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	6	6	100%
2016/17	Kenley Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	7	7	100%
2016/17	Kensington Avenue Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	6	5	83%
2016/17	Keston Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	13	11	84%
2016/17	Monks Orchard Primary School	Barbara Peacock	Medium	Substantial (No further follow up planned)	2	2	100%
2016/17	Orchard Way Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	12	10	83%
2016/17	Park Hill Junior	Barbara Peacock	Medium	Substantial (No further follow up planned)	1	1	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Risk Level	Assurance Level & Status	Total Raised	Implemented	
						Total	Percentage
2016/17	Park Hill Infants	Barbara Peacock	Medium	Substantial (No further follow up planned)	1	1	100%
2016/17	Ridgeway Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	3	3	100%
2016/17	Smitham Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	6	6	100%
2016/17	St Peters Primary	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	9	-	-
2016/17	Archbishop Tenison's Cof E	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	8	-	-
2016/17	Thomas More	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
2016/17	Redgates SLD & Autism	Barbara Peacock	Medium	Substantial (1 <sup>st</sup> follow up in progress)	11	-	-
2016/17	St Giles School	Barbara Peacock	Medium	Substantial (No further follow up)	9	9	100%
2016/17	St Nicholas MLD & Autism Primary	Barbara Peacock	Medium	Substantial (No further follow up planned)	6	6	100%
2016/17	Downsview Primary	Barbara Peacock	Medium	Full N/A	0	0	0
2016/17	Gresham Primary	Barbara Peacock	Medium	Full (No further follow up)	1	1	100%
2016/17	St John's Cof E Primary	Barbara Peacock	Medium	Full (No further follow up)	2	2	100%
2016/17	Beckmead Special School	Barbara Peacock	Medium	Full (No further follow up planned)	4	4	100%
<b>School Audits Sub Total: Recommendations and implementation from audits that have had responses</b>					<b>97</b>	<b>91</b>	<b>94%</b>
<b>School Audits Sub Total: Priority 1 Recommendations from audits that have had responses</b>					<b>1</b>	<b>1</b>	<b>100%</b>
<b>Recommendations and implementation from audits that have had responses</b>					<b>141</b>	<b>134</b>	<b>95</b>
<b>Priority 1 Recommendations from audits that have had responses</b>					<b>7</b>	<b>6</b>	<b>86%</b>

## Appendix 7 - Statement of Responsibility

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

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

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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