

London Borough of Croydon

Internal Audit Report for the period

1 April 2018 to 31 October 2018

Confidentiality and Disclosure Clause

This report ("Report") was prepared by Mazars LLP 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 internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit 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 London Borough of Croydon and to the fullest extent permitted by law Mazars LLP 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 in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

Internal Audit activity

1. During the first seven months of the 2018/19 financial year the following work has been delivered:

- 58% of the 2018/19 planned audit days have been delivered
- 71 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:-
 - 51 system audits commenced and/or were completed;
 - 14 probity audits commenced and/or were completed; and,
 - 6 computer audits commenced and/or were completed.

In addition:

- 8 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 2018/19 internal audit plan was substantially informed by the risk registers. The 2018/19 internal audit plan was presented to the General Purposes and Audit Committee on 15 March 2018.
3. Work on the 2018/19 audit plan commenced in April 2018 and delivery is now well underway.
4. Table 1 details the performance for the 2018/19 audit plan against the Council's targets. At 31 October 2018 Internal Audit had delivered 58% of the planned audit days and 30% of the planned draft reports. Although the planned drafts are behind target, there are a number of audits where the reports are close to being issued and work has either commenced, is in progress or draft stage for over 80% of the audit plan.

Table 1: Performance against targets

| Performance Objective | Annual Target | Year to Date Target | Year to Date Actual | Performance |
|--|---------------|---------------------|---------------------|-------------|
| % of planned 2018-19 audit days delivered | 100% | 58% | 58% | ▲ |
| Number of 2018-19 planned audit days delivered | 1050 | 609 | 613 | ▲ |
| % of 2018-19 planned draft reports issued | 100% | 40% | 30% | ▼ |
| Number of 2018-19 planned draft reports issued | 88 | 35 | 26 | ▼ |
| % of draft reports issued within 2 weeks of exit meeting | 85% | 85% | 89% | ▲ |
| 2017/18 % of priority one recommendations implemented at the time of the follow up audit | 90% | 90% | 82% | ▼ |
| 2017/18 % of all recommendations implemented at the time of the follow up audit | 80% | 80% | 78% | ▼ |
| 2016/17 % of priority one recommendations implemented at the time of the follow up audit | 90% | 90% | 92% | ▲ |
| 2016/17 % of all recommendations implemented at the time of the follow up audit | 80% | 80% | 84% | ▲ |

| Performance Objective | Annual Target | Year to Date Target | Year to Date Actual | Performance |
|--|---------------|---------------------|---------------------|-------------|
| 2015/16 % of priority one recommendations implemented at the time of the follow up audit | 90% | 90% | 91% | ▲ |
| 2015/16 % of priority all recommendations implemented at the time of the follow up audit | 80% | 80% | 86% | ▲ |
| % of qualified staff engaged on audit | 40% | 40% | 44% | ▲ |

Audit Assurance

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

| | |
|--------------------|---|
| Full | The systems of internal control are sound and achieve all systems objectives and that all controls are being consistently applied. |
| Substantial | The systems of internal control are basically sound, there are weaknesses that put some of the systems objectives at risk and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk. (*Note - Substantial assurance is provided on School audits.) |
| Limited | 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. |
| No | 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. Tables 2 lists the audits for which final reports were issued from 1 April to 31 October 2018. Details of the key issues arising from these reports are shown in Appendix 1.

Table 2: 2018/19 Final audit reports issued from 1 April 2018 to 31 October 2018:

| Audit Title | Risk Level | Assurance Level | Planned Year |
|--------------------------------|------------|-----------------|--------------|
| Non-school audits | | | |
| Croylease | High | Limited | 2018/19 |
| GDPR in Schools | High | Limited | 2018/19 |
| Libraries Income Collection | High | Limited | 2018/19 |
| Coroner's Service | High | Substantial | 2018/19 |
| Discretionary Housing Payments | High | Substantial | 2018/19 |
| Liesure Contract Management | High | Substantial | 2018/19 |
| Parking CCTV | High | Substantial | 2018/19 |
| Cashiers (Cash Handling) | High | Full | 2018/19 |

Follow-up audits – effective implementation of recommendations

7. During 2018/19 in response to the Council's follow-up requirements, Internal Audit has continued following-up the status of the implementation of the 2015/16, 2016/17, 2017/18 audits. No 2018/19 follow up audits are yet due.
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 (to date) | | | | |
|--|--------|-----------------------|---------|---------|---------|---------|
| | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Percentage of priority one recommendation implemented at the time of the follow up audit | 90% | 100% | 100% | 91% | 92% | 82% |
| Percentage of all recommendations implemented at the time of the follow up audit | 80% | 96% | 94% | 86% | 84% | 78% |

The results of those for 2015/16, and 2016/17 and 2017/18 audits that have been followed up are included in Appendixes 2, 3, and 4 respectively.

9. Appendix 2 shows the follow-up audits of 2015/16 audits undertaken to date and the number of recommendations raised and implemented. 86% of the total recommendations were found to have been implemented and 91% of the priority 1 recommendations which have been followed up have been implemented. The outstanding priority 1 recommendations are detailed below:

| Audit Title | Executive Director Responsible | Risk Level | Assurance Level | Summary of issues arising in priority 1 recommendations |
|--------------------------------------|--------------------------------|------------|-----------------|--|
| EMS Application | Richard Simpson | High | Limited | A recommendation was raised due to the absence of an effective disaster recovery plan for the EMS application. The response to the follow up is that this is being worked on with Capita and a solution planned for January 2019. |
| ICT ~Service Delivery ITIL 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. The response to the follow up is that this is being worked on with Capita and a solution planned for January 2019. |

10. Appendix 3 shows the 2016/17 follow-up audits undertaken to date and the number of recommendations raised and implemented. 84% of the total recommendations were found to have been implemented and 92% 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 |
|-------------|--------------------------------|------------|-----------------|---|
|-------------|--------------------------------|------------|-----------------|---|

| Audit Title | Executive Director Responsible | Risk Level | Assurance Level | Summary of issues arising in priority 1 recommendations |
|---------------------|--------------------------------|------------|-----------------|--|
| Adult Care Packages | Guy Van Dichele | High | Limited | <p>A priority 1 recommendation was raised as in fifteen out of twenty instances sampled evidence could not be obtained to confirm client consent to the contents of the care package.</p> <p>A priority 1 recommendation was raised as in ten out of fifteen instances sampled evidence could not be provided of approval of a care package by an individual or body with the correct delegated authority.</p> <p>A priority 1 recommendation was raised as in eight out of twenty instances sampled there was no evidence of a six to eight week review. In six instances we could not be provided with evidence that an annual review was undertaken.</p> <p>The response to the follow up of the above explained that various actions had been taken to resolve the above, however Internal Audit has sought further clarification and, in some instances, evidence of these actions.</p> |

11. Appendix 4 shows the 2017/18 follow-up audits undertaken to date and the number of recommendations raised and implemented. 78% of the total recommendations were found to have been implemented and 82% 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 |
|---|--------------------------------|------------|-----------------|--|
| Abandoned Vehicles | Shifa Mustafa | High | No | <p>A priority 1 issue was raised as the records of reported abandoned vehicles on the Access 2003 database was incomplete, with images, links to '7 day' notices and the dates removed and outcomes not always being recorded.</p> <p>A priority 1 issue was raised as although the estimated contract value for abandoned vehicle removal is over £160k, there has been no tendering for this service and there is no contract in place between Tran-Support and the Council.</p> <p>Responses to both the above have been obtained, detailing that, 'The development of an AVS module within CRM has been delayed by approval to develop a new system to replace CRM' and that, 'A soft Market Testing brief has been provided and is now being refined with assistance from Procurement.'</p> |
| Pay and Display Meter Maintenance and Income Collection | Shifa Mustafa | High | Limited | <p>A priority 1 issue was raised the contract between NSL and the Council expired in 2015.</p> <p>The response provided details that this is still in progress, with tender documentation being with Procurement and the tender to be issued shortly.</p> |
| Appointeeships | Mark Meehan | High | Limited | <p>A priority 1 issue was raised as although payee bank accounts were being checked to invoices or other payment documents, there is a risk that the bank details on these documents may be incorrect.</p> <p>The latest response detailed that the new manager has plans to stop existing payments completely, which is being progressed. This means that any new or changes to existing beneficiaries will go through a more robust check.</p> |
| Health Visiting | Guy Van Dichele | High | Limited | <p>A priority 1 issue was raised as while the Council receives monthly detailed reports on key performance indicators and has conducted a recent extensive six month Health Visiting Services Review, appropriate contract monitoring processes were not in place to obtain assurance of the general conditions in the S75 Agreement and the actual processes undertaken by CHS, including those for safeguarding.</p> |

| Audit Title | Executive Director Responsible | Risk Level | Assurance Level | Summary of issues arising in priority 1 recommendations |
|------------------------|--------------------------------|------------|-----------------|--|
| | | | | The response to the follow up has provided assurance that the above are being progressed through ongoing dialogue with the contractor, but are not yet resolved. |
| Brokerage | Richard Simpson | High | Limited | <p>A priority 1 issue was raised as it was confirmed that providers outside of the signed Integrated Framework Agreement (IFA) were being used regularly for care provision of clients.</p> <p>A priority 1 issue was raised as there was no evidence provided of inspections having occurred at three of the five providers sampled.</p> <p>The response to the follow up was that, A decision has been taken to refresh the IFA in 18/19, which will address the issue of legacy provision, which is becoming less over time. Furthermore, regarding the inspections, that a restructure and recruitment was taking place.</p> |
| St Joseph's Federation | Eleni Ioannides | Medium | Limited | <p>A priority 1 recommendation was raised as Appropriately authorised orders were not available for eight of the fifteen transactions sampled.</p> <p>A priority 1 recommendation was raised as appropriate goods or services received checks were not evidenced for thirteen of the fifteen transactions sampled.</p> <p>The response provided detailed that the authorisation and goods received checking processes were being improved and we are awaiting confirmation.</p> |

Appendix 1: Key issues from finalised audits

| 2018/19 audits | | | |
|------------------------------------|------------|---|--|
| Audit Title | Risk Level | Assurance Level & Number of Issues | Summary of key issues raised. |
| Non School Audits | | | |
| Croylease | High | Limited (Two priority 1, five priority 2 and one priority 3 issue) | Two priority 1 recommendations were raised as sample testing found that current lease agreements were not in place for 5 of the 10 properties sampled and in some cases evidence of the required gas safety or electrical inspections or fire safety certificates was not available. |
| GDPR in Schools | High | Limited (Eight priority 2 issues) | No priority 1 issues |
| Libraries Income Collection | High | Limited (Two priority 1, two priority 2 and one priority 3 issue) | Two priority 1 issues were raised, one relating to the approval and control over the waiver of fines and the other relating to the lack of reconciliations between income collected and income banked and coded to Oracle ledger codes. |
| Coroner's Service | High | Substantial (Three priority 2 issues) | No priority 1 issues raised |
| Discretionary Housing Payments | High | Substantial (One priority 2 and two priority 3 issues) | No priority 1 issues raised |
| Liesure Centre Contract Management | High | Substantial (Two priority 2 issues.) | No priority 1 issues raised |
| Parking CCTV | High | Substantial (One priority 2 issue) | No priority 1 issues raised |
| Cashiers (Cash Handling) | High | Full (One priority 3 issue) | No priority 1 issues raised |

Appendix 2 - Follow-up of 2015/16 audits (Incomplete follow ups only)

| Financial Year | Audit Followed-up | Executive Director Responsible | Risk Level | Assurance Level & Status | Total Raised | Implemented | |
|--|--|--------------------------------|------------|---|--------------|-------------|-------------|
| | | | | | | Total | Percentage |
| Non School Audits | | | | | | | |
| 2015/16 | Performance Monitoring Adult Social Care | Guy Van Dichele | High | Limited (2 nd follow up in progress) | 9 | 3 | 33% |
| 2015/16 | EMS Application | Richard Simpson | High | Limited (6 th follow up in progress) | 4 | 1 | 25% |
| 2015/16 | ICT Service Delivery ITIL Framework | Richard Simpson | High | Limited (4 th follow up in progress) | 2 | 1 | 50% |
| 2015/16 | Looked After Children (placed in another LA area) | Eleni Ioannides | High | Substantial (3 rd follow up in progress) | 6 | 4 | 66% |
| 2015/16 | Connected Croydon – Programme and Project Management | Shifa Mustafa | High | Substantial (2 nd follow up in progress) | 4 | 2 | 50% |
| 2015/16 | Waste Recycling | Shifa Mustafa | High | Substantial (5 th follow up in progress) | 3 | 1 | 33% |
| 2015/16 | Internal Network | Richard Simpson | High | Substantial (3 rd follow up in progress) | 2 | 1 | 50% |
| 2015/16 | EU Procurement Directives | Richard Simpson | High | Substantial (3 rd follow up in progress) | 2 | 0 | 0 |
| Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses | | | | | 235 | 196 | 83% |
| Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses | | | | | 22 | 20 | 91% |
| School Audits Sub Total: Recommendations and implementation from audits that have had responses | | | | | 48 | 48 | 100% |
| School Audits Sub Total: Priority 1 Recommendations from audits that have had responses | | | | | 0 | 0 | N/a |
| Recommendations and implementation from audits that have had responses | | | | | 283 | 244 | 86% |
| Priority 1 Recommendations from audits that have had responses | | | | | 22 | 20 | 91% |

Appendix 3 - Follow-up of 2016/17 audits (Incomplete follow ups only)

| Financial Year | Audit Followed-up | Executive Director Responsible | Risk Level | Assurance Level & Status | Total Raised | Implemented | |
|--|---|--------------------------------|------------|--|--------------|-------------|-------------|
| | | | | | | Total | Percentage |
| Non School Audits | | | | | | | |
| 2016/17 | Adult Care Packages | Guy Van Dichele | High | Limited (2 nd follow up in progress) | 7 | 4 | 57% |
| 2016-17 | Contract Formalities and Storage of Contracts | Richard Simpson | High | Limited (1 st follow up in progress) | 4 | - | - |
| 2016-17 | Contract and Tender Regulation Compliance | Richard Simpson | High | Limited (2 nd follow up in progress) | 8 | 6 | 75% |
| 2016/17 | HMRC Compliance | Richard Simpson | High | Substantial (4 th follow up in progress) | 5 | 3 | 60% |
| 2016/17 | Anti-Social Behaviour | Shifa Mustafa | High | Substantial (3 rd follow up in progress) | 9 | 4 | 44% |
| 2016/17 | Licensing Income | Shifa Mustafa | High | Substantial (3 rd follow up in progress) | 2 | 1 | 50% |
| 2016/17 | Clinical Governance | Guy Van Dichele | High | Substantial (3 rd follow up in progress) | 3 | 1 | 33% |
| 2016/17 | London Road (Section A) Public Realm Improvements | Shifa Mustafa | High | Substantial (1 st follow up in progress) | 3 | - | - |
| Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses | | | | | 236 | 201 | 85% |
| Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses | | | | | 21 | 18 | 86% |
| School Audits Sub Total: Recommendations and implementation from audits that have had responses | | | | | 206 | 172 | 83% |
| School Audits Sub Total: Priority 1 Recommendations from audits that have had responses | | | | | 16 | 16 | 100% |
| Recommendations and implementation from audits that have had responses | | | | | 442 | 373 | 84% |
| Priority 1 Recommendations from audits that have had responses | | | | | 37 | 34 | 92% |

Appendix 4 - Follow-up of 2017-18 audits

| Financial Year | Audit Followed-up | Executive Director Responsible | Risk Level | Assurance Level & Status | Total Raised | Implemented | |
|--------------------------|---|--------------------------------|------------|--|--------------|-------------|------------|
| | | | | | | Total | Percentage |
| Non School Audits | | | | | | | |
| 2017/18 | Mayors Charity | Richard Simpson | High | No (3 rd follow up in progress) | 13 | 10 | 77% |
| 2017/18 | Abandoned Vehicles | Shifa Mustafa | High | No (3 rd follow up in progress) | 10 | 7 | 70% |
| 2017/18 | Budget Management - People | Eleni Ioannides | High | Limited (1 st follow up in progress) | 2 | - | - |
| 2017/18 | Appointeeships | Vacant | High | Limited (3 rd follow up in progress) | 7 | 5 | 71% |
| 2017/18 | Health Visiting | Guy Van Dichele | High | Limited (1 st follow up in progress) | 2 | - | - |
| 2017/18 | Direct Payments | Guy Van Dichele | High | Limited (No further follow up) | 4 | 4 | 100% |
| 2017/18 | Special Sheltered Housing | Richard Simpson | High | Limited (3 rd follow up in progress) | 10 | 4 | 40% |
| 2017/18 | Unaccompanied Asylum Seeking Children | Eleni Ioannides | High | Limited (2 nd follow up in progress) | 2 | 1 | 50% |
| 2017/18 | Croydon Enterprise Loan Fund | Shifa Mustafa | High | Limited (No further follow up planned) | 5 | 5 | 100% |
| 2017/18 | Brokerage | Richard Simpson | High | Limited (2 nd follow up in progress) | 10 | 2 | 20% |
| 2017/18 | Deprivation of Liberty Safeguards | Guy Van Dichele | High | Limited (No further follow up) | 4 | 4 | 100% |
| 2017/18 | Registrars | Vacant | High | Limited (No further follow up) | 6 | 5 | 83% |
| 2017/18 | Food Safety | Shifa Mustafa | High | Limited (No further follow up) | 11 | 9 | 82% |
| 2017/18 | Pay and Display Meter Maintenance and Income Collection | Shifa Mustafa | High | Limited (3 rd follow up in progress) | 4 | 3 | 75% |
| 2017/18 | Tree Root Inspections | Shifa Mustafa | High | Limited (No further follow up) | 6 | 5 | 83% |
| 2017/18 | ICT Capita Contract | Richard Simpson | High | Limited (No further follow up) | 1 | 1 | 100% |

| Financial Year | Audit Followed-up | Executive Director Responsible | Risk Level | Assurance Level & Status | Total Raised | Implemented | |
|--|--|--------------------------------|------------|--|--------------|-------------|------------|
| | | | | | | Total | Percentage |
| 2017-18 | SekChek Active Directory System Security | Richard Simpson | High | Limited (1 st follow up in progress) | 10 | - | - |
| 2017/18 | Parking Enforcement and Income | Shifa Mustafa | High | Substantial (1 st follow up in progress) | 5 | - | - |
| 2017/18 | CALAT Income Collection | Shifa Mustafa | High | Substantial (3rd follow up in progress) | 6 | 4 | 67% |
| 2017-18 | Open Book Accounting (Axis Europe plc) | Shifa Mustafa | High | Substantial (1 st follow up in progress) | 3 | - | - |
| 2017-18 | Temporary Accommodation Occupancy Checks | Vacant | High | Substantial (No further follow up) | 3 | 3 | 100% |
| 2017/18 | Youth Offending service | Eleni Ioannides | High | Substantial (No further follow up) | 3 | 3 | 100% |
| 2017-18 | Development Management | Shifa Mustafa | High | Substantial (1 st follow up in progress) | 5 | - | - |
| 2017/18 | Place Review Panel | Shifa Mustafa | High | Substantial (No further follow up) | 3 | 3 | 100% |
| 2017/18 | Croydon Equipment Solutions | Richard Simpson | High | Substantial (No further follow up) | 7 | 7 | 100% |
| 2017/18 | Street Trading Income Collection | Shifa Mustafa | High | Substantial (1st follow up in progress) | 9 | - | - |
| 2017-18 | Transport Fleet Management | Richard Simpson | High | Substantial (1 st follow up in progress) | 3 | - | - |
| 2017-18 | Gifts and Hospitality | Richard Simpson | High | Substantial (1 st follow up in progress) | 4 | - | - |
| 2017/18 | Admitted Bodies | Richard Simpson | High | Substantial (1 st follow up in progress) | 4 | - | - |
| 2017/18 | Unix (Linux) Operating System Security | Richard Simpson | High | Substantial (2 nd follow up in progress) | 3 | 0 | 0 |
| 2017/18 | Smitham 2016 School Heating Works | Shifa Mustafa | High | Substantial (1 st follow up in progress) | 3 | - | - |
| 2017/18 | Windows OS Security | Richard Simpson | High | Full (no further follow up planned) | 2 | 2 | 100% |
| Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses | | | | | 118 | 85 | 72% |
| Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses | | | | | 28 | 22 | 79% |

| Financial Year | Audit Followed-up | Executive Director Responsible | Risk Level | Assurance Level & Status | Total Raised | Implemented | |
|----------------------|--|--------------------------------|------------|--|--------------|-------------|------------|
| | | | | | | Total | Percentage |
| School Audits | | | | | | | |
| 2017/18 | Beulah Juniors | Eleni Ioannides | Medium | Limited (No further follow up) | 13 | 11 | 84% |
| 2017/18 | Elmwood Infants School | Eleni Ioannides | Medium | Limited (No further follow up) | 14 | 14 | 100% |
| 2017/18 | The Minster Nursery and Infant School | Eleni Ioannides | Medium | Limited (No further follow up) | 17 | 15 | 89% |
| 2017/18 | Norbury Manor | Eleni Ioannides | Medium | Limited (2 nd follow up in progress) | 12 | 8 | 67% |
| 2017/18 | St Joseph's Federation | Eleni Ioannides | Medium | Limited (2 nd follow up in progress) | 25 | 9 | 36% |
| 2017/18 | Winterbourne Nursery and Infants | Eleni Ioannides | Medium | Limited (No further follow up) | 18 | 16 | 89% |
| 2017/18 | St Mary's High School | Eleni Ioannides | Medium | Limited (No further follow up) | 16 | 14 | 87% |
| 2017/18 | Crosfield Nursery and Selhurst Early Years | Eleni Ioannides | Medium | Substantial (No further follow up) | 2 | 2 | 100% |
| 2017/18 | Purley Nursery | Eleni Ioannides | Medium | Substantial (No further follow up) | 4 | 4 | 100% |
| 2017/18 | Tunstall Nursery | Eleni Ioannides | Medium | Substantial (No further follow up) | 4 | 4 | 100% |
| 2017/18 | Thornton Heath Early Years Centre | Eleni Ioannides | Medium | Substantial (No further follow up) | 7 | 6 | 86% |
| 2017/18 | All Saints C of E Primary | Eleni Ioannides | Medium | Substantial (No further follow up) | 8 | 7 | 87% |
| 2017/18 | Elmwood Junior | Eleni Ioannides | Medium | Substantial (No further follow up) | 3 | 3 | 100% |
| 2017/18 | Heavers Farm | Eleni Ioannides | Medium | Substantial (No further follow up) | 10 | 10 | 100% |
| 2017/18 | Howard Primary | Eleni Ioannides | Medium | Substantial (2 nd follow up in progress) | 13 | 5 | 54% |
| 2017/18 | Margaret Roper | Eleni Ioannides | Medium | Substantial (No further follow up) | 16 | 13 | 81% |
| 2017/18 | Purley Oaks Primary | Eleni Ioannides | Medium | Substantial (No further follow up) | 7 | 7 | 100% |

| Financial Year | Audit Followed-up | Executive Director Responsible | Risk Level | Assurance Level & Status | Total Raised | Implemented | |
|--|------------------------------|--------------------------------|------------|--|--------------|-------------|-------------|
| | | | | | | Total | Percentage |
| 2017/18 | Rockmount Primary | Eleni Ioannides | Medium | Substantial (No further follow up) | 6 | 5 | 83% |
| 2017/18 | Selsdon Primary | Eleni Ioannides | Medium | Substantial (No further follow up) | 9 | 9 | 100% |
| 2017/18 | Woodcote Primary | Eleni Ioannides | Medium | Substantial (No further follow up) | 7 | 7 | 100% |
| 2017/18 | Coloma Convent Girls' School | Eleni Ioannides | Medium | Substantial (3 rd follow up in progress) | 14 | 11 | 78% |
| 2017/18 | Saffron Valley | Eleni Ioannides | Medium | Substantial (No further follow up) | 6 | 6 | 100% |
| 2017/18 | Priory | Eleni Ioannides | Medium | Substantial (1 st follow up in progress) | 6 | - | - |
| 2017/18 | Beaumont Primary | Eleni Ioannides | Medium | Full (No further follow up) | 3 | 3 | 100% |
| 2017/18 | Archbishop Tenison | Eleni Ioannides | Medium | Full (No further follow up) | 1 | 1 | 100% |
| School Audits Sub Total: Recommendations and implementation from audits that have had responses | | | | | 235 | 190 | 81% |
| School Audits Sub Total: Priority 1 Recommendations from audits that have had responses | | | | | 5 | 5 | 100% |
| Recommendations and implementation from audits that have had responses | | | | | 353 | 275 | 78% |
| Priority 1 Recommendations from audits that have had responses | | | | | 33 | 27 | 82% |

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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