

Key:

	Action fully completed and, where appropriate, now part of Council's governance framework.		Action substantially completed.		Action still in progress		No action taken
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Extract from April 2021 update report					Summary of Internal Audit work - Evidence obtained and seen
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1a(iv)	The Executive Director Children Families and Education needs to address the underlying causes of social care overspends in children's social care and take effective action to manage both the demand and the resulting cost pressures.	iv) Secure independent external challenge through the Partners in Practice programme to enable valid judgements to be made about the correct level of funding to meet the needs of Croydon's children in care.	<p>Report from LB Camden received under Partners in Practice Programme – December 2020</p> <p>Independent Financial Adviser commissioned by the DfE to provide expert challenge and support commenced on 22/2/21 for a period of 9 months.</p>	<p>Complete</p> <p>Ongoing support until November 2021</p>	<p>Copies of parts 1 and 2 of the 'Review of Croydon's Children Looked After Service' by the London Borough of Camden, dated 'October/November 2020' and 'December 2020' respectively were obtained. Part 1 looked at proposals for the redesign of the service, while Part 2 looked at (a) commissioning arrangements, (b) the changing needs/profile of children looked after and unaccompanied asylum seeking children, (c) the availability and resourcing of good quality services, (d) transitions issues and permanency planning.</p> <p>Examination of the 'Croydon Financial Transformation Advisor Spec 221220' and the 'DfE Advisor Report May 2021' confirmed that a DfE advisor commenced their <i>'role on 22 February 2021 on a 9 month contract to look at improvements and transformation within Croydon's Children's Services Finance'</i>. The 'DfE Advisor Report May 2021' being an 'Initial Progress Report' detailing actions and recommendations to date, as well as future tasks.</p>
1b(i)	The Executive Director Health, Wellbeing and Adults needs to address the underlying causes	i) Commission a diagnostic of spend and opportunities to be carried out by the	This was carried out and used during November 2020 to inform development of the	COMPLETE	It was confirmed that the 'Observations of Croydon Adult Social Care' by the Local Government Association (dated 5 November

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	of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.	Local Government Association (LGA) National Care & Health Improvement Adviser Finance and Risks to inform future shape of transformation opportunities.	Adult Social Care Improvement Plan		2020) were presented as part of the 'ACS Budget Workshop' in November 2021. The 'Adults Social Care Improvement Plan 2021 – 2024' confirms in paragraph 1.3 that, ' <i>Working closely with a Local Government Association (LGA) Adults and Finance expert, we have reviewed every aspect of our budget. We have modelled plans to deliver significant savings over three years, based on LGA recommendations.</i> '
1b(ii)	The Executive Director Health, Wellbeing and Adults needs to address the underlying causes of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.	ii) Review the current service delivery models of adult social care and gateway services to right size the budget and delivery model to benchmark with comparator Councils in relation to population and service outcomes.	Data has been collected which provides benchmarking of Croydon ASC care spend vs other Councils, this was factored in to the Adult Social Care Improvement Plan. Budget modelling has been agreed for ASC for 21/22 budget. Service modelling forms part of adult's improvement plan.	COMPLETE	The 'Adult Social Care Benchmarking 2019-20' report dated 31 December 2020 demonstrates that the Council had benchmarked against the 152 Councils with Adult Social Care Services Responsibilities in England for the period 1 April 2019 to 31 March 2020. The 'Health, Wellbeing and Adults Budget Development Session' dated 1 October 2020, the 'ACS Budget Workshop' in November 2021 and the Adults Social Care Improvement Plan 2021 – 2024' and the presentation of the Executive Director of Health, Wellbeing and Adults to the Scrutiny Health & Social Care Sub-Committee on 26 January 2021 all included benchmarking data. The Care Cubed tool (detailed in 1b(iii) below) is being trialled to provide the ability to benchmark placements costs with other councils. As detailed in 1B(iv) below, examination of the Croydon Adults Improvement Plan and the Adult Social Care Budget presented to the Scrutiny Health & Social Care Sub-Committee on 26 January 2021 confirmed that budget modelling was agreed in the 2021/22 budget and that service modelling forms part of the Adults Improvement Plan.

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1b(iii)	The Executive Director Health, Wellbeing and Adults needs to address the underlying causes of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.	iii) To create a placements board to challenge the Council on current cost of placements, managing demand for new placements and ensuring value for money in procurement of placements	<p>Placements boards have been implemented in the Council to challenge placements and reduce expenditure.</p> <p>Daily challenge panel has been in place since S114. All spend is then promoted to the Spend Control Panel, as agreed with then S151 Officer.</p> <p>Placements programme is in place with an agreed scope. Funding also agreed for Care Cubed placements tool agreed at ELT on 8 March 21.</p>	COMPLETE	<p>The 'Placements and packages of care across Children's and Adult's Social Care 2020/21' presentation dated 19 October 2020, as well as the subsequent 'Placements Programme Workstreams – Systems Processes and Payments' dated 26 November 2020 both detailed that:</p> <ul style="list-style-type: none"> A '<i>Daily Panel – Director / Exec Director to sign off new placements (Res/Nursing)</i>' was actioned and in place. Enquiry clarified that Adult Social Care has a challenge panel at 9am Monday to Friday where cases are presented for approval. The panel consists of the Interim Executive Director (usually) plus a selection of Adult Social Care Heads of Service and a Finance Manager. The case workers have to complete a template which is submitted prior to challenge panel. Each case is reviewed, challenged and a decision on the care is made, (sometimes this will be for a limited time with a requirement for the case worker to re-present, so it is not always a simple yes or no.) The decisions are recorded each day and a summary circulated at the end of each week. A 'placements programme' was in place. Review of the 'Placements and contracts Programme' task pages on Teams showing the progress of the various projects also confirmed the programme to be in place and actively being progressed. <p>The 'Overview Of The 2021-22 Adult Social Care Financial Performance' report provided to the Scrutiny Health & Social Care Sub-Committee at</p>

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					<p>the meeting held on 29 June 2021 confirms that, 'A further £0.026m transformation investment was agreed in Feb 21 for the purchase of a tool called Care Cubed. This allows the service to benchmark placements costs with other councils, enabling stronger provider negotiations.'</p> <p>The copy of the Care Cubed contract provided, confirms that, 'iESE will provide Licensee with access to CareCubed for one year from 1st April 2021 and ending on 31st March 2022' with the option to extend this.</p> <p>An update on Care Cubed by the Head Of Innovation And Change further confirmed that:</p> <ul style="list-style-type: none"> • A series of training was scheduled and had been completed. • Progress was focussed on testing the tool within the Reviews Progression project team. • Analysis is due by end of September 2021 on the cases reviewed using Care Cubed.
1b(iv)	The Executive Director Health, Wellbeing and Adults needs to address the underlying causes of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.	iv) Use the output from the diagnostic review to remodel financial implications to help shape the Medium Term Financial Strategy (MTFS)	<p>Diagnostic review and benchmarking data has been used to shape the Adult Social Care Improvement plan.</p> <p>Croydon Adults Improvement plan has been fully developed and aligned to budget as signed off at March Cabinet. LBC delivery tracker being updated fortnightly.</p>	COMPLETE	<p>Documents seen for 1b(i), (ii), (iii) above confirm that diagnostic review and benchmarking data has been used to shape the Adult Social Care Improvement plan.</p> <p>Parts 6 and 7 of the Croydon Adults Improvement plan detail the 'Current budget development' and 'Year one and medium term financial strategy proposals' clearly aligning the Plan to the 2021/22 Budget. Likewise the Adult Social Care Budget presented to the Scrutiny Health & Social Care Sub-Committee on 26 January 2021 summarised that, 'Adult social care continues to be under pressure nationally and locally. The outturn for 2016/17, 2017/18, 2018/19 and 2019/20</p>

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					<i>demonstrated both an increase in costs and increased use of transformation monies to meet current demand and increased complexities. Increasingly we are seeing residents who fund their own care running out of money, often referred to as 'wealth depleters'. A change in the way we deliver social care in order to reduce spend and live within our available resources is underway.'</i>
2(i)	The Council (including Cabinet and Scrutiny and Overview Committee) should challenge the adequacy of the reserves assessment which should include a risk assessment before approving the budget.	i) Develop a reserves strategy as part of the Medium Term Financial Strategy (MTFS) and present it for approval with the Budget reports to Cabinet and Full Council. This needs to incorporate a clear assessment of risks and liabilities that demonstrate all current and future exposure has been thought through and factored into the recommendations. Strategy to map the financial governance process around agreeing additions to reserves to be included to reduce risk of duplication and that there were no gaps in approach.	The MTFS and 21/22 Budget agreed on 8th March contains a clear strategy for growing the reserves base up to a level which by 23/24 would give a general fund reserve in excess of £60 million.	COMPLETE	Examination of the 'Budget Report 2021/22' presented to Cabinet on 8 March 2021 confirmed plans that '£20m is being earmarked as part of the 20/21 planned capitalisation directive for contribution to the General Balance. With a further increase of £10m 21/22.' (i.e. to increase reserves by £50m). The updated MTFS presented to Cabinet 12 July 2021 confirmed that, 'Part of the approved capitalisation direction request in 2020/21 contained provision to bolster general reserves by a further £15.0m in order to provide sufficient resilience to meet future risks and challenges. The 2021/22 base budget has £10m of contributions to reserves and the MTFS provides for a further £5m of reserves contribution in 2022/23 and a further £5m in 2023/24. This will result in a total of additional £45m in reserves by the end of 2023/24 which should leave a General Fund Reserve balance of £72.5m.'
2(ii)	The Council (including Cabinet and Scrutiny and Overview Committee) should challenge	ii) In considering future budget reports, Cabinet will assure itself that all risks	From April 2021 Financial Monitoring reports will be provided to Cabinet on a	COMPLETE	It was confirmed that 'Financial Monitoring' reports were provided to Cabinet from April 2021, with the:

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	the adequacy of the reserves assessment which should include a risk assessment before approving the budget.	and liabilities have been properly considered by requesting that the Scrutiny & Overview Committee and the General Purposes and Audit Committee review the adequacy of the strategy and its relationship to the MTFS prior to Cabinet taking a decision.	<p>monthly basis to ensure Members have increased oversight on any emerging pressures or movements.</p> <p>The 21/22 Budget was reported to Scrutiny on 16th February 2021 and comments were verbally reported to cabinet on 8th March 2021.</p> <p>Future year's timescales will need to include time for both this and reference to GPAC and Scrutiny Cross reference to LBC rec 3 as this will form part of the wider Member Development Programme to be developed and agreed</p>		<ul style="list-style-type: none"> • 'Financial Performance Report – Period 11' report provided on 4 May 2021, • 'Financial Performance Report – Month 1' on 7 June 2021, • 'Financial Performance Report – Outturn 2020/21' on 12 July 2021, • 'Financial Performance Report – Month 2' on 26 July, and the • 'Financial Performance Report – Month 3' scheduled for the meeting to be held on 13 September 2021. <p>Examination of the Scrutiny Committee minutes of the meeting held on 16 February 2021 confirmed that the draft 2021/22 budget was reported to this meeting. Examination of the 'Budget Report 2021/22' presented to Cabinet on 8 March 2021 confirmed that item 21 reported that the 21/22 draft budget had been reported to the Scrutiny Committee.</p> <p>Dates for Scrutiny and GPAC are on the Corporate Forward Plan for the 2023/23 Draft Budget</p>
5(i)	The General Purposes and Audit Committee should receive reports on the actions being taken to address the Dedicated Schools Grant deficit and challenge whether sufficient progress is being made.	i) The Dedicated Schools Grant recovery plan should be presented to General Purposes and Audit Committee and Scrutiny and Overview Committee for review and agreement to ensure that it is adequate to meet objectives and timelines that have been set.	Reviewed at GPAC 4 March 2021	COMPLETE	The minutes of the General Purposes and Audit Committee meeting held on 4 March 2021 are not yet available. Examination of the agenda for the meeting confirms that item 6 was a paper on the 'Dedicated Schools Grant', but that this was an item for the Committee to 'Note' and not to agree or to challenge. However, the 'podcast' of the meeting clearly evidences that members sought clarification and challenged this item.

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5(ii)	The General Purposes and Audit Committee should receive reports on the actions being taken to address the Dedicated Schools Grant deficit and challenge whether sufficient progress is being made.	ii) Special Educational Needs Finance Board to be established and chaired by the interim Director of Education to oversee the delivery of the Dedicated Schools Grant recovery plan.	Initial meetings held with further meetings to be scheduled to update on the progress of the DSG recovery plan.	COMPLETE	<p>Examination of the 'SEND Finance Board: Terms of Reference' confirms that the objectives of the Board includes to, <i>'Ensure that milestones in relation to the SEND DfE recovery plan and management plan are being met through regular monitoring of this.'</i></p> <p>Examination of the Executive Director of Children, Families and Education's Outlook calendar confirmed that the SEND Finance Board met on 19 July 2021, with monthly meetings being diarised until the end of the calendar year.</p>
5(iii)	The General Purposes and Audit Committee should receive reports on the actions being taken to address the Dedicated Schools Grant deficit and challenge whether sufficient progress is being made.	iii) Training to be provided to members to ensure the committee possess a working understand of education funding and budgets	DSG training has been delivered to members of Scrutiny Committee, Labour Group and Conservative Group	COMPLETE	<p>A copy of the PowerPoint slides 'Dedicated Schools Grant (DSG) funding for Croydon' has been provided.</p> <p>The Chair of the Children's & Young People Sub-Committee confirmed that they had a briefing at 2pm on 12 January 2021.</p> <p>As noted in LBC Rec. 3 (ii) below, the 'Member Learning and Development Needs 2021-22' includes 'Education Funding and Budgets' which was 'Delivered to CYP Scrutiny and members of both Cons and Lab Groups' in January 2021.</p>
6(i)	The Executive Director Children, Families and Education needs to review the services provided to UASC and to identify options to meet their needs within the grant funding provided by the Home Office.	i) Complete a forensic review of grant income against the total expenditure for unaccompanied asylum seeking children and care leavers over the past 3 years, including the co-ordination of pan-London arrangements.	Review completed and is informing Council's approach to UASC support offer.	COMPLETE	<p>The forensic review was undertaken by the Executive Director of Children, Families and Education, and the Interim Head of Quality Improvement for that department, with modelling by the Independent Financial Adviser commissioned by the DfE (refer to 1a(vi) above). This included both unaccompanied asylum seeking children and care leavers.</p> <p>The subsequent report to Cabinet on 7 June 2021 also confirms that detailed modelling took place for unaccompanied asylum seeking children.</p>

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7(i)	The Executive Director Children, Families and Education needs to identify the capacity threshold for the numbers of UASC that it has the capacity to deliver safe UASC services to.	i) Draw on the analysis and review at 6 (i) to develop options to establish a capacity threshold for Croydon for unaccompanied asylum seeking children that is commensurate with other Local Authorities and in line with the nationally agreed standards and funding.	The voluntary national rate is the equivalent of 0.07% of the child population. In Croydon that equates to 66 children. This underpins the forensic review and modelling completed in 6i	COMPLETE	The report to Cabinet on 7 June 2021 explains that if the Borough no longer accepts new unaccompanied asylum-seeking children into care, then the number of such children under 18 in the Borough will fall to 66 by 2023/24. The report also acknowledges that this will not substantially reduce the number of asylum seeking care leavers in the Council's care over that same period.
9(i)	The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.	i) To support the Annual Budget setting process Budget Development Meetings will be held for each department and will be attended by Executive Directors, Corporate Leadership Team and Members with accountability for their service area and staff who are responsible for service delivery that understand what impact growth and savings plans will have on the services. To support this process Members will be provided with a clear set of proposals that demonstrate cost pressures (growth) and savings opportunities with narrative and comparators on budget and outcomes delivered to	Proposals were provided to members with a formal decision in November Cabinet. Saving opportunities for 21/22 were set out across all services and have been incorporated into delivery of Croydon Renewal Plan. The Council recognises further savings will be necessary to achieve a sustainable budget in the long term. Discussions for further savings next year will be scheduled starting from April 2021.	COMPLETE	Item 87/20b to the Cabinet meeting held on 25 November 2021 was to: <ul style="list-style-type: none"> • <i>'Consider the additional in-year savings for 2020/21 that will be presented to the extraordinary meeting of Full Council on 1 December 2020 to respond to the S.114 notice.'</i> • <i>Consider and recommend to Full Council the savings proposals for consultation as set out in this report for the Medium Term Financial Strategy and 2021/24 and note that consultation will begin on 9 December 2020.'</i> Appendix B of the paper, the 'Schedule of Proposals for Savings & Investment in 2021/22' provided narrative explaining each savings proposal. The MTFS update report to the Cabinet meeting on 12 July 2021 detailed that, <i>'Further detailed work around Budget Development is ongoing within the Council and it is too early at this stage to reflect any specific details as such plans have not been fully validated.'</i>

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		describe the impact of the decisions that are required to be taken			It was also confirmed that a 'Budget Development Group' had been set up, with updates on the work of the Group being provided to the ELT meetings held on 4 and 10 August 2021.
9(ii)	The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.	ii) To support the budget exercise the Council will seek external support to test the draft budget proposals, seek ideas and good practice and will take the same approach by seeking support for the scrutiny process.	Various support from external sources has been utilised to date to offer capacity and advice. This includes the LGA, Council peers and CIPFA. The Council will continue to use such opportunities moving forward.	COMPLETE	<p>It is evident that the Council has received support and advice from a variety of external sources, including the LGA, the MCHLG and CIPFA, leading up to and subsequent to the S114 notice being issued in 2020. This has also included temporary appointment of experts, such as Financial Consultants, the Governance Improvement Adviser and the Improvement Plan Support Officer, each of whom also have networks to draw from.</p> <p>An example would be, as detailed in 1A(iv) above, the appointment of a DfE advisor, who commenced their 'role on 22 February 2021 on a 9 month contract month contract to look at improvements and transformation within Croydon's Children's Services Finance'.</p> <p>Another example would be that each of the ELT Away Day Cost Comparison exercises in January 2021 clearly drew on MCHLG data to help benchmark costs.</p>
9(iii)	The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.	iii) Develop a budget savings tracker that profiles savings by month to enable Members to track that savings are on target. This will need to correlate with the finance, performance and risk reporting that Council will introduce.	An in year savings tracker has been developed to monitor identified savings and escalate any delivery challenges. In year savings are rag rated based on confidence in delivery.	COMPLETE	<p>It was confirmed that a 'LBC Delivery Tracker' Power BI tool has been internally developed by the Council to monitor each of the agreed savings. Screen prints from the tool demonstrate that monthly progress is detailed for each saving, along with a RAG rating on progress and likelihood of achievement.</p> <p>It was also confirmed that 'Financial Monitoring' reports were provided to Cabinet for months 1 and 2 of 2021/22, which provided a summary of</p>

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					the 'MTFS Savings risk' (i.e. the savings at risk for each month).
9(iv)	The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.	iv) To increase understanding of the choices Cabinet Members are making with regards to the emerging budget and to effectively challenge budget assumptions, Scrutiny and Overview Committee Members to receive regular briefings on the progress of budget setting.	<p>Budget Discussions were conducted across January and February 2021. This included focused discussion on the 21/22 budget for specific directorates. Discussion took place at Children and Young People Sub-Committee, Health & Social Care Sub-Committee, at Scrutiny, Streets, Environment & Homes sub-committee and finally the Scrutiny & Overview Committee.</p> <p>The Council will continue to keep Scrutiny committees sighted on budget matters.</p>	COMPLETE	<p>Discussion confirmed that budget discussions were held. Information obtained in support of 1b(ii) above helped substantiate this, for example the 'Health, Wellbeing and Adults Budget Development Session' dated 1 October 2020 and the 'ACS Budget Workshop' in November 2021. It was confirmed that budget reports were taken to the :</p> <ul style="list-style-type: none"> • The Scrutiny Children & Young People Sub-Committee meeting held on 19 January 2021 • The Scrutiny Streets, Environment & Homes Sub-Committee meeting held on 2 February 2021 • The Scrutiny and Overview Committee meeting held on 16 February 2021 • The Scrutiny Health & Social Care Sub-Committee meeting held on 26 January 2021 <p>The Council's Forward Plan includes an item for 'Budget Scrutiny, including questions to the Leader and Cabinet Members' for the Scrutiny and Overview Committee in February 2022.</p>
9(v)	The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.	v) To review the budget setting-timetable to ensure that the Scrutiny & Overview Committee has the time to digest and review the budget proposals and underlying assumptions and for Cabinet to respond fully to any challenge or comments	The Council is taking action to ensure budget discussions happen at an earlier date and more opportunities are offered to members to offer input into the budget and review its management. These actions include finalisation of Council meetings forward plan up	COMPLETE	<p>The copy of the forward plan provided is up to the 31 March 2022 and includes monthly financial performance updates at Cabinet as well as dates for budget review and approval in January and February 2022.</p> <p>As noted in LBC Rec. 3 (ii) below, the 'Member Learning and Development Needs 2021-22' includes:</p>

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		and for Cabinet to be able to consider changing its proposals.	<p>until April 2022 with dates marked for policy discussions and monthly financial performance updates at Cabinet.</p> <p>Additionally, budget developments meetings will begin in Spring 2021 as opposed to Autumn meaning savings will be identified and shared with members earlier in year.</p>		<p>1) 'Series of Finance Training' of which Treasury Management was delivered in March 2021, with sessions on 'Financial management / Budget setting', 'Financial Strategy and Monitoring', 'Commercial Investment', 'Council's funding sources / reserves', 'Transformation funding' and 'Commissioning and Procurement being planned.</p> <p>2) 'Education Funding and Budgets' which was 'Delivered to CYP Scrutiny and members of both Cons and Lab Groups' in January 2021.</p> <p>3) 'Adult Social Care Budget' which was a 'Briefing held for members of the Health and Social Care Sub-Committee' in June 2021.</p> <p>The MTFS update report to the Cabinet meeting on 12 July 2021 detailed that, 'Further detailed work around Budget Development is ongoing within the Council and it is too early at this stage to reflect any specific details as such plans have not been fully validated.'</p> <p>It was also confirmed that a 'Budget Development Group' had been set up, with updates on the work of the Group being provided to the ELT meetings held on 4 and 10 August 2021.</p>
11(i)	The s151 officer needs to revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme.	i) The Council have commissioned PwC to undertake a strategic review of the Growth Zone with completion expected November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	PwC report to cabinet made recommendations on future of GZ. These are now being implemented.	COMPLETE	It was confirmed that the PwC report was produced and was reported to the Cabinet meeting held on 25 November 2020, which included a review of the Growth Zone. This report detailed that, ' <i>Given the current economic uncertainty, the steps the Council have taken to review and revise down the ambitious investment plan for Growth Zone are sensible</i> ' and that, ' <i>Any subsequent increase in planned investment should be supported by a business case and taken through</i>

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					<p><i>robust governance and sign off processes for full scrutiny.'</i></p> <p>A subsequent paper specifically on the Growth Zone was approved at the Cabinet meeting held on 22 March 2021. The paper sought approval to continue to fund key priority projects and activities in the short term, while a further report would be brought back to Cabinet later in the year setting out future years' capital expenditure requests for the Growth Zone programme.</p> <p>The Council's forward planner details that a 'Growth Zone Update' be presented to Cabinet in December 2021.</p>
11(iii)	The s151 officer needs to revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme.	iii) Cabinet paper with revised profile and recommendations to be issued March 2021.	See 11ii	COMPLETE	As 11(ii) above
11(iv)	The s151 officer needs to revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme.	iv) The Council needs a mechanism in place to review projects to use the learning to inform any future work. This should be extended across all areas of the Council, with learning retained centrally as a corporate resources.	Project closure process in place as part of the governance of all projects.	COMPLETE	<p>A working group, including the members of the Council's Programme Management Office, is in place to review and revise the Council's 'Programme Management Framework' and meets every Tuesday.</p> <p>The draft of the revised 'LBC Project and Programme management Framework' document produced by the working group, includes the requirement for a Project Closure document (including lessons learned) to be completed and approved for each project. This is; however, not yet an embedded process.</p>

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12(i)	The s151 officer should review the financial rationale and associated risks and make recommendations to Cabinet and Council on whether the Revolving Investment Fund should continue.	i) The Council have commissioned PwC to undertake a strategic review of the Revolving Investment Fund with completion expected in November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	Report by PwC on governance & strategic review delivered in November 2020 to Cabinet. Treasury Management strategy updated 1st March 2021 limits new lending under the RIF to BBB working capital loans only	COMPLETE	It was confirmed that the PwC report was produced and was reported to the Cabinet meeting held on 25 November 2020, which included a review of the Revolving Investment Fund. The paper detailed that, <i>'The RIF has not been revolving, because very few of the loans have repaid with £208.8m* tied up in BBB loans with no interest received to date.'</i> The Treasury Management Strategy Statement, Capital Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2021/2022 approved by Cabinet at the meeting held on 1 March 2021 detailed that, <i>'No new investments other than a loan for working capital to Brick by Brick will be made in 2021/22.'</i> This was also presented to Council on 8 March 2021, but minutes of this meeting are not yet available.
12(ii)	The s151 officer should review the financial rationale and associated risks and make recommendations to Cabinet and Council on whether the Revolving Investment Fund should continue.	ii) Recommendations to be presented alongside budget review in Feb 2021 to Cabinet, General Purposes and Audit Committee and Scrutiny and Overview	See recommendation 12i	COMPLETE	As 12(i) above Although no report/s were provided to the General Purposes and Audit Committee on this.
12(iii)	The s151 officer should review the financial rationale and associated risks and make recommendations to Cabinet and Council on whether the Revolving Investment Fund should continue.	iii) Cabinet paper with recommendations to be issued March 2021.	See recommendation 12i	COMPLETE	As 12(i) above
13(i)	The s151 officer should review the purchase of Croydon Park	i) The Council have commissioned PwC to	On February 18th Cabinet agreed the approach set out	COMPLETE	It was confirmed that the PwC report was produced and was reported to the Cabinet

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	Hotel to identify lessons learned to strengthen future due diligence arrangements.	undertake a strategic review of assets that have been purchased with completion expected in November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	in the Interim Assets Strategy. This included, in the appendices, options for an approach on the future of Croydon Park Hotel. An update with a decision on the future of Croydon Park Hotel is provisionally scheduled for September 2021.		meeting held on 25 November 2020, which included a review of the Asset Investment Fund, including the purchase of the Croydon Park Hotel. Appendix 2 and part 8 of the Interim Assets Disposal Strategy report approved by Cabinet at the meeting held on 18 February 2021 was a 'Summary of Options considered for Croydon Park Hotel.' The agreed action/s was to: <ol style="list-style-type: none"> 1) Appoint real estate advisors to prepare the marketing strategy for approval by the Council to be procured under the Council's Tender and Contract Regulations. 2) Subject to approval of the strategy, the Council will then seek to appoint the firm to manage the sales process and present bids/offers for the Council to approve also to be procured under the Council's Tender and Contract Regulations.
13(iii)	The s151 officer should review the purchase of Croydon Park Hotel to identify lessons learned to strengthen future due diligence arrangements.	iii) Review and re-write the asset investment strategy that was approved by Cabinet in October 2018 incorporating advice from each of the Strategic Reviews. The review will explicitly consider best practice from the sector and lessons learned from other local authorities, the external auditor and the National Audit Office on effective investment practice.	Interim Asset Strategy has been approved at February 18th Cabinet to fast track income generation and achieve "quick wins." A 3 year 21-24 Asset Strategy is being developed provisionally set for January 2022 Cabinet.	COMPLETE	The Interim Assets Disposal Strategy report was approved by Cabinet at the meeting held on 18 February 2021. There was no evidence of the Asset Investment Strategy being reviewed. The Council's forward planner details that an 'Asset Management Plan 2022-24' will be presented to Cabinet in January 2022. The Interim Executive Director of Place has asserted that work in developing an investment strategy has progressed, but Internal Audit is yet to receive evidence of this.

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13(iv)	The s151 officer should review the purchase of Croydon Park Hotel to identify lessons learned to strengthen future due diligence arrangements.	iv) Cabinet paper with recommendations to be issued March 2021. Update to be provided at Scrutiny on 9th February	The Interim Assets Disposal Strategy, was discussed at both Cabinet and Scrutiny & Overview Committee in February	COMPLETE	The Interim Assets Disposal Strategy report was approved by Cabinet at the meeting held on 18 February 2021.
14(i)	The Cabinet and Council needs to re-consider the Treasury Management Strategy for ongoing affordability of the borrowing strategy, the associated risks and identify whether alternative options can reduce the financial burden.	i) The Treasury Management Strategy will be reviewed as part of the budget setting for 2021/22 and will take into consideration the outcome of the strategic reviews to factor in the overall financial position and best practice from other local authorities. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	Treasury Management strategy updated and agreed by Council on 8th March 2021	COMPLETE	The Treasury Management Strategy Statement, Capital Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2021/2022 was approved by Cabinet at the meeting held on 1 March 2021. The above document along with 'Council Tax and Budget' was also presented to Council at the meeting held on 8 March 2021. The minutes of this Council meeting are not yet available.
14(ii)	The Cabinet and Council needs to re-consider the Treasury Management Strategy for ongoing affordability of the borrowing strategy, the associated risks and identify whether alternative options can reduce the financial burden.	ii) The outcome of the strategic reviews that the Council have commissioned will inform the Treasury Management Strategy for 21/22 onwards and any changes in governance that may be required.	See recommendation 14i	COMPLETE	As 14(i) above.
15(i)	The Chief Executive should arrange detailed Treasury Management training to assist Members to better understand and challenge the long-term	i) Members to attend training sessions facilitated by the Local Government Association to cover treasury management to	Treasury management training was offered to all members on the 3rd March 2021.	COMPLETE	The 'Member Learning and Development Needs 2021-22' includes a 'Series of Finance Training' of which Treasury Management was delivered on in March 2021. A copy of the diary entry of the training held on 3 March 2021 for 'Treasury

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	financial implications of matters reported within the Treasury Management Strategy.	enable better and effective financial leadership.	Session was recorded and will be distributed to all Members and all budget managers.		Management Training' was obtained that confirmed that all members of the Council had been invited. It was confirmed that a copy of the recorded training session – 'Treasury Management Training-20210303_170739-Meeting Recording.mp4' had been retained on SharePoint.
16(i)	The s151 officer should revisit the Minimum Revenue Provision policy to demonstrate that a prudent approach is being taken.	i) Link Asset Management has been commissioned to carry out a review of the Minimum Revenue Position policy. The report with recommendations will be discussed with General Purposes and Audit Committee and then on to Cabinet.	Minimum Revenue Provision Policy Statement 2020/21 went to Cabinet 1st March as part of the Treasury Management Strategy.	COMPLETE	The Treasury Management Strategy Statement, Capital Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2021/2022 approved by Cabinet at the meeting held on 1 March 2021, as the title alludes, included a 'Minimum Revenue Provision Policy Statement.' There is no evidence of the report being first discussed with the General Purposes and Audit Committee.
17(ii)	The Cabinet and Council should reconsider the financial business case for continuing to invest in Brick by Brick before agreeing any further borrowing.	ii) Council to review the risks relating to Brick by Brick to ensure they are appropriately listed on the risk register	The Risks for Brick by Brick have been reviewed and are as follows per the Corporate Risk Register: 1. Investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC). 2. There is no effective challenge, review, investigation or ownership	COMPLETE	It was confirmed that risk RCS0027 ' <i>There is no effective challenge, review, investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC)</i> ' was added to the was added to the Council's risk management system on 19 May 2021. The following risks, relating specifically to Bick by Brick and other subsidiaries were also noted, namely: <ul style="list-style-type: none">Risk FIR051 '<i>Risk of financial loss and reputational damage due to the poor performance of Brick By Brick including the Fairfield Halls refurbishment project.</i>'

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			<p>taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC).</p> <p>**These risks specifically relate to financial strategy, treasury management strategy (including borrowing), capital investment strategies and appropriateness of continuing investment and association with BBB**</p> <p>The Corporate Red Risk Register is reviewed monthly at ELT to review and update risks where necessary.</p>		<ul style="list-style-type: none"> Risk FIR036 '<i>Robust governance & risk management procedures/frameworks are not activated to safeguard the interests (financial & reputational) of the Council and it's taxpayers within all subsidiary organisations where the Council has an interest.</i>
18(i)	The Cabinet and Council should review and reconsider the ongoing financial rationale for the Council in the equity investment arrangement with Brick by Brick.	i) PwC has been commissioned to undertake a strategic review of Brick by Brick. The report and recommendations will consider the ongoing financial rationale and equity invested and will detail options for the Council that will be considered by the Scrutiny & Overview Committee Cabinet prior to being presented to Cabinet.	<p>This paper went to Scrutiny & Overview Committee and Cabinet in February 2021.</p> <p>The Cabinet paper noted that the Council has never made any equity payments, as planned, and is not in the financial position to do so. It was noted BBB sales proceeds were meant to be placed in an account for the Council to apply interest repayment and, if excess, to</p>	COMPLETE	<p>It was confirmed that the PWC report was produced and was reported to the Cabinet meeting held on 25 November 2020, which included a review of Brick by Brick and also the Revolving Investment Fund. The paper detailed that, '<i>The RIF has not been revolving, because very few of the loans have repaid with £208.8m* tied up in BBB loans with no interest received to date.</i>'</p> <p>A report on the 'Review of Brick by Brick Croydon Ltd' was approved by Cabinet on 18 February 201 that '<i>revised funding arrangements be entered into with Brick by Brick to reflect the current loan positions and proposals for the future, including, where relevant, moving</i></p>

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			<p>substantive loan repayment. Unfortunately, this process has not occurred and instead sale proceeds were retained by BBB effectively replacing the Council's equity share.</p> <p>The Council needs to review existing arrangement, change the current agreements or replace it with fresh loans.</p> <p>It is recommended that the current arrangements continue but in a modified way to give Brick by Brick capacity to have working capital to ensure that funds are available to build out units on site</p>		<p><i>to a 100% debt funding position (as opposed to 25% equity and 75% debt); extending relevant loans and repayment periods; allowing delays with repayments of existing loans; agreeing to further funding of no more than £9.99 million in relation to sites proposed for Brick by Brick to continue developing ...'</i> This was also presented to Council on 29 March 2021, but the minutes of this meeting are not yet available.</p> <p>The Treasury Management Strategy Statement, Capital Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2021/2022 approved by Cabinet at the meeting held on 1 March 2021 detailed that, '<i>No new investments other than a loan for working capital to Brick by Brick will be made in 2021/22.</i>' This was also presented to Council on 8 March 2021, but minutes of this meeting are not yet available.</p>
LBC Rec. 3 (ii)	Ensuring that Members are appropriately trained across all aspects of the Council's financial duties and responsibilities	ii) Further work on Cabinet development will be undertaken to support members to explore priorities for the new Cabinet, agree how the Members will work together to make the most of shared skills and consider individual and collective leadership styles and ways of working.	LGA have carried out a facilitated session for Cabinet members	COMPLETE	<p>The 'Member Learning and Development Needs 2021-22' includes as item 7 'LGA Training for Cabinet' which is ongoing. The notes for this course detail that 'LGA have carried out a facilitated session for Cabinet – in progress.'</p> <p>The 'Member Learning and Development Needs 2021-22' also included:</p> <ol style="list-style-type: none"> 1) A 'Series of Finance Training' of which Treasury Management was delivered in March 2021, with sessions on 'Financial management / Budget setting', 'Financial Strategy and Monitoring', 'Commercial Investment', Council's funding sources /

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					reserves', 'Transformation funding' and 'Commissioning and Procurement being planned. 2) 'Education Funding and Budgets' which was 'Delivered to CYP Scrutiny and members of both Cons and Lab Groups' in January 2021.
LBC Rec. 4 (viii)	The Council develops an improvement programme that has the necessary elements for it to function effectively and within its financial resource.	viii) Ensure the actions contained in this plan are supported by a corporate programme office that can provide assurance to Members.	A PMO office has been established dedicated to coordinating and supporting the delivery of key improvement actions across the Council. This includes recommendations in the MHCLG Rapid Review, the RIPI and the Croydon Renewal Plan.	COMPLETE	It was confirmed that a Project Management Office (PMO) has been established. The Council's intranet details that, ' <i>The PMO was set up in April 2020 to ensure the Council approach to delivering programmes and projects is both consistent and thorough.</i> ' It was also confirmed, (in completing this internal audit work to confirm the completed RIPI actions), that a Business Improvement Officer from the PMO had been specifically assigned to help co-ordinate and support the delivery of the RIPI actions.
LBC Rec. 4 (ix)	The Council develops an improvement programme that has the necessary elements for it to function effectively and within its financial resource.	ix) Corporate level sponsorship to be allocated to all projects to ensure clarity of responsibility for delivery	ELT members already allocated across all actions. Further project managers to be identified to deliver the recommendations	COMPLETE	Examination of the RIPI action plan confirms that each action has been assigned to an ELT member.