

London Borough of Croydon

Internal Audit Report

1st April 2022 to October 2022

Confidentiality and Disclosure Clause

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

1. Internal Audit Performance

- 1.1 The 2022/23 internal audit plan was approved by the Audit and Governance Committee on 7 July 2022 and work in delivering the internal audit plan is now well underway.
- 1.2 As reported in the annual Head of Internal Audit report to the Audit and Governance Committee (at the meeting held on 13 October 2022) the prior year audit plans were critically reviewed in quarter 4 of 2021/22. This was to help minimise the impact on delivery of the 2022/23 audit plan from slippage from prior year audit plans. All 2020/21 and 2021/22 year audit draft reports are now issued, although work is still ongoing to finalise some of these.

2. Audit Assurance

- 2.1 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.
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.

- 2.2 The table below lists the internal audits for which final reports were issued from 1 April to October 2022. Some of these reports were also included in the annual Head of Internal Audit Report. Details of the key issues arising from these reports are shown in Appendix 1.

Internal Audit Title	Assurance Level	Planned Year	Included in the annual Head of Internal Audit Report √ / X
Non-School Internal Audits			
Out of Borough Adult Social Care Placements	Limited	2020/21	√
Croydon Affordable Homes – Contract Management	Limited	2020/21	√
Long Term Sick and Maternity Leave	Limited	2020/21	√

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Internal Audit Title	Assurance Level	Planned Year	Included in the annual Head of Internal Audit Report √ / X
Right to Work Checks	Limited	2020/21	X
End to end Placement Process (including disabilities)	Substantial	2020/21	√
Contract Management – Health and Work programme	Substantial	2020/21	√
Capital Budgeting and Treasury Management	No	2021/22	√
Parking Enforcement: Pay and Display	Limited	2021/22	√
Service Based Budget Monitoring: Across the Organisation	Limited	2021/22	√
Food Safety	Limited	2021/22	√
Community Fund Contracts	Limited	2021/22	√
Information Management	Limited	2021/22	√
HRA Accounting	Limited	2021/22	√
Fees and Charges	Limited	2021/22	√
Business Rates and Business Grants	Substantial	2021/22	√
UASC – Value for Money	Substantial	2021/22	√
Youth Offending	Substantial	2021/22	√
Children with Disabilities - Placement Costs and Spend Review	Substantial	2021/22	√
CALAT - Income generation and controls	Substantial	2021/22	√
Traffic Management	Substantial	2021/22	√
Pension Improvement Plan	Substantial	2021/22	√
Reserves: General and Earmarked	Substantial	2021/22	X
Community Equipment Service - Governance	Full	2021/22	√
Contract Management - Health and Work Programme (2019/20 audit)	Substantial	2021/22	X

Internal Audit Title	Assurance Level	Planned Year	Included in the annual Head of Internal Audit Report √ / X
Housing Rents: Service Charge Calculations - (Tenant Service Charge)	Substantial	2022/23	X
Leaseholder Service Charge	Limited	2022/23	X
School Audits			
Saffron Valley Collegiate	Full	2021/22	√
Purley Nursery School	Substantial	2021/22	√
Beaumont Primary School	Substantial	2021/22	√
Elmwood Junior School	Substantial	2021/22	√
Gresham Primary School	Substantial	2021/22	√
Howard Primary School	Substantial	2021/22	√
Rockmount Primary School	Substantial	2021/22	√
St John's C of E School	Substantial	2021/22	√

3. Follow-up audits – effective resolution of recommendations/issues

- 3.1 During 2022/23 in response to the Council's follow-up requirements, Internal Audit has continued following-up the status of the implementation of agreed actions for audits carried out during 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22. There are no follow-up audits due for 2022/23 as yet.
- 3.2 Follow-up audits are undertaken to ensure that all the recommendations/issues raised have been successfully implemented/resolved according to the action plans agreed with the service managers. The Council's target for internal audit recommendations/issues to be resolved at the time of the follow-up audit is 80% for all priority 2 & 3 recommendations/issues and 90% for priority 1 recommendations/issues.

Performance Objective	Target	Performance (to date)				
		2017/18	2018/19	2019/20	2020/21	2021/22
Percentage of priority one actions implemented at the time of the follow up audit	90%	100%	98%	94%	69%	50%

Percentage of all actions implemented at the time of the follow up audit	80%	91%	93%	90%	81%	76%
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- 3.3 In order to help progress long outstanding and significant agreed actions arising from internal audits, a series of ‘audit focus’ workshops have been set up by the Corporate Management Team. The first such meeting was held on 19 January 2022 and these have been subsequently ongoing.
- 3.4 The results of those for 2017/18, 2018/19, 2019/20, 2020/21 and 2022/23 audits that have been followed up are included in Appendixes 2, 3, 4, 5 and 6 respectively.
- 3.4 Appendix 2 shows the one incomplete 2017/18 follow-up audit. For 2017/18 91% of the total recommendations/issues were found to have been implemented and 100% of the priority 1 recommendations/issues which have been followed up have been implemented.
- 3.5 Appendix 3 shows the incomplete 2018/19 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 93% of the total recommendations/issues were found to have been implemented and 98% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendation/issue is detailed below:

Audit Title	Assurance Level	Summary of recommendations/issues arising in outstanding priority 1 recommendations/issues
Energy Recharges	No	<p>A priority 1 issue was raised as no energy costs for 2017/18 had been invoiced and some were still outstanding for 2016/17 amounting to over £4m. In addition, no costs had yet been invoiced for 2018/19.</p> <p><u>Current position:</u></p> <p>The response to the follow up detailed that, ‘Provision has now been made in the 19/20 accounts for c£4.5m as it is clear that the previously stated debt of £6.5m is incorrect. This provision is against debt up to 18/19 and invoicing post this date has not been made.</p> <p>A process has been agreed for tackling the schools debt and work is underway to engage additional resource to help deal with this.’</p>

- 3.6 Appendix 4 shows the 2019/20 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 90% of the total recommendations/issues were found to have been implemented and 94% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendations/issues are detailed below:

Audit Title	Assurance Level	Summary of recommendations/issues arising in outstanding priority 1 recommendations/issues
Lettings Allocations and Assessments	Limited	<p>A priority 1 issue was raised as the application forms (on line and in hardcopy) in use were not compliant with the Data Protection Act 2018 or the General Data Protection Regulation.</p> <p><u>Current position:</u></p> <p>A new Head of Service is now in place. Her response to the follow up was that, ‘I will speak to digital and information services as well as interim operational manager to find out where we are with this and update with my findings and hopefully sign off.’</p>

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Audit Title	Assurance Level	Summary of recommendations/issues arising in outstanding priority 1 recommendations/issues
Wheelchair Service – Community Equipment Service	Limited	<p>A priority 1 issue was raised as the follow up of the recommendations raised in the 2017 ad hoc report identified that the recommendation relating to the BACs files being open to amendment had still not been implemented, meaning that any of the BACs payments during the last 2 years may have been manipulated. As about £1m of payments is made per month, this is a significant issue.</p> <p><u>Current position October 2022</u></p> <p>Actively working on completing all activities included in the timeline, this comes on top of normal BAU activities making it really challenging.</p> <p>The first payment run using the new process is expected to be done in W/C 7/11/22.</p> <p>(Please note: The 2022-23 Internal Audit Plan includes an audit 'CES Banking Compliance' which will supersede this issue.)</p>
Enforcement Agents - Procurement	No	<p>A priority 1 issue was raised as an individual scoresheet and the record of moderation are missing for the tender evaluation of January 2018.</p> <p>Contemporaneous records of the reasons and reasoning for the allocation of scores in moderation for both lots of the tender evaluations of August 2019 could not be provided. Attempts have also been made to recreate the reasons and reasoning at a later date.</p> <p><u>Current position May 2022</u></p> <p>No change. The review and update of the Procurement handbook is within the Procurement Improvement Plan, and the person that will undertake this has only just started with the Council.</p> <p>A priority 1 issue was raised as a number of formal agreements extending the arrangements with the service providers could not be provided.</p> <p><u>Current position</u></p> <p>The commissioning framework and procurement handbooks have not yet been reviewed. This is in our project pipeline for Q1/Q2 of 2021/22.</p> <p>Pending this, we are undertaking additional management action, such as:</p> <ul style="list-style-type: none"> • introducing bite-size training sessions to provide additional training and support for procurement officers – the first session covering Procurement Do's and Don'ts. • increased oversight at CCB • Improved Quality Assurance of award reports, with weekly pre-meets in advance of CCB with Head of Commissioning and Procurement and legal services.

3.7 Appendix 5 shows the 2020/21 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 81% of the total recommendations/issues were found to have been implemented and 69% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendations/issues are detailed below:

Audit Title	Assurance Level	Summary of outstanding recommendations/issues arising in priority 1 recommendations/issues
Creditors – Procure to Pay	Limited	<p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> • Examination of the documentation retained for a sample of 17 transactions identified that for five of these the order was raised either after delivery or after the invoice date. • Examination of the documentation retained for a sample of 17 transactions identified that for four of these the goods or services received check preceded actual delivery.

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Audit Title	Assurance Level	Summary of outstanding recommendations/issues arising in priority 1 recommendations/issues
		<ul style="list-style-type: none"> Examination of the documentation retained for a sample of 17 transactions identified that five of the invoices included client names (including children in care) thus potentially breaching the Data Protection Act 2018. As at 28 September 2020 the Council had invoices totalling £25,757,492 on hold, of which £7,220,978 related to previous financial years (i.e. 2019/20 and prior) with oldest invoice on hold dating 8 May 2014. <p><u>Current position:</u> A working party chaired by the Assistant Chief Executive was set up in August 2022 to deal with the above and other issues ranging from supplier set up through to the payment of invoices. This working party meets monthly.</p>
Clinical Governance	Limited	<p>A priority 1 issue was raised as there was no evidence of an overall clinical governance policy being in place for the Council and consequently the clinical governance framework and systems in place were unclear.</p> <p>Workshop being organised to coordinate pulling together all the relevant information to produce a clinical governance policy. Stakeholders include: Commissioners, Public Health, Designated Safeguarding leads, SWL CCG.</p> <p><u>Current position:</u> The last update provided in January 2022 was that, <i>'Draft document to be presented at Adult Social Care (ASC) SMT; with the recommendation that a task and finish group is established from the One Croydon Risk Working Group. This group will ensure that the LA policy is linked to other key partners/ stakeholders policies and procedures where joint working arrangements are in place for certain ASC services and PH contracts.'</i></p>
Temporary Accommodation: Standards in Private Sector	Limited	<p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> Electrical, gas and energy certificates were not located for some of the sample of Croybond properties and most of the sample of Croylease properties checked. 'Decent Homes Inspection' reports were not available for eight of the sample of 15 property records checked. <p><u>Current position</u> An update provided in May 2022 detailed, for each of the above respectively, that:</p> <ul style="list-style-type: none"> <i>'The procedure has now been completed and is being rolled out to the team. The next step is to set up the checking procedure for the Quality team. A percentage of cases will be checked and any issues noted and reported back to the team and the manager. The cases will continue to be checked until the correct documentation is in place.'</i> <i>'The procedure has now been revised and the Quality team will now introduce periodic checks with the new Head of Service and team manager. Also discussed will be the periodic visits made to Croylease properties to check on any issues with the property which will then be reported through for any repairs issues noted.'</i> <p>Internal Audit has asked for confirmation of checks and visits being in place before closing this follow up.</p>
SEN Transport Safeguarding	Limited	<p>A priority 1 issue was raised as examination of a sample of ten contracts found that seven had not been evidenced as signed or dated, two contracts were signed but had not been dated and one contract could not be located on SharePoint.</p> <p><u>Current position:</u> The response provided in July 22 detailed that: <i>It hasn't been completed.</i> <i>It requires some fairly intricate financial analysis spanning 3 years, that then needs to be then forwarded to Procurement colleagues, and then sent to CCB for acknowledgement before there can be any movement.</i> <i>The whole issue is a fairly ridiculous set of self-reporting criteria which were set when this DPS was initiated, (and the Council was new to DPS) whereby we suggested that we would report quarterly to CCB, all of the contractor spend, broken down by contractor. In SEND transport this was never going to be practical as we were awarding around 600 DPS contracts per year, alongside approx. £10m spend.</i></p>

Audit Title	Assurance Level	Summary of outstanding recommendations/issues arising in priority 1 recommendations/issues
		<p><i>Without the CCB reports, the criteria we have set ourselves then stated that we would be unable to issue contracts as we hadn't followed these criteria with CCB, and therefore there have been no contracts issued to all DPS taxi companies since Round 3 of the DPS, around 3.5 years ago.</i></p> <p><i>We don't have to do the reporting (legally or via PCR), and were at the time already reporting the spend through a Board Structure which included Cllrs and Exec Directors, where the spend was being scrutinised on a monthly basis.</i></p> <p><i>Really, we should waiver the requirement to do this.</i></p> <p><i>Otherwise, I will need to produce a report as attached (I need to do 6 of these) and they are at the limit of my Excel Pivot skills, and therefore take me quite a lot of time to produce. With some finance resource, I estimate that this would only take around half a day to complete.</i></p>

3.8 Appendix 6 shows the 2021/22 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 76% of the total recommendations/issues were found to have been implemented and 50% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendations/issues are detailed below:

Audit Title	Assurance Level	Summary of outstanding recommendations/issues arising in priority 1 recommendations/issues
Information Management	Limited	<p>A priority 1 issue was raised as Information Asset Registers (IARs) were not subject to regular review.</p> <p><u>Current position:</u></p> <p>The response to the follow up in October 2022 detailed that, 'The DPO is reviewing this and starting to compile this information to ensure that the IAR is created and relevant.'</p> <p>(Please note: The 2022-23 Internal Audit Plan includes an audit 'The role of the DPO' which will supersede this issue.)</p>

Appendix 1: Summary from finalised audits of Key (Priority 1) issues

Year	Internal Audit Title	Assurance Level & Number of Issues	Summary of Key Priority 1 Issues Raised
Non-School Internal Audits			
2020/21	Out of Borough Adult Social Care Placements	Limited (One priority 1 and four priority 2 issues)	The Council did not have a process to communicate with and notify the host authorities for out of borough placements
2020/21	Croydon Affordable Homes – Taberner House Contract Management	Limited (Four priority 1 and two priority 2 issues)	Priority 1 issues were identified relating to: <ul style="list-style-type: none"> We asked for but were not provided with any evidence of how Hub Residential Limited was chosen as the developer for the Taberner House site We asked for but were not provided with payment requests submitted by Taberner House LLP to the Council in respect of the development/construction costs of the Taberner House site. We could not be provided with a budgetary control statement monitoring development/construction costs of the Taberner House site The December 2020 cost centre summary spreadsheet (budget monitoring CAH Management) for Croydon Affordable Homes did not include a current budget and subjective code breakdown and therefore variance analysis against budgeted figures. We acknowledge we were informed that a full budget will be set for the financial year 2021-22.
2020/21	Long Term Sick and Maternity Leave	Limited (One priority 1 and three priority 2 issues)	Risk assessments were not evidenced as completed for eight out of a sample of ten employees tested from the maternity leave group.
2020/21	Right to Work Checks	Limited (One priority 1, one priority 2 and one priority 3 issue)	There was a lack of evidence that copies of documents obtained when conducted RTW checks had been properly verified in line with Home Office requirements.
2021/22	Capital Budgeting and Treasury Management	No (No issues raised)	Lack of engagement prevented audit from progressing.
2021/22	Parking Enforcement: Pay and Display	Limited (One priority 1, two priority 2 and one priority 3 issue)	The contract with cash collector, BDI Securities, was not provided during the audit. We were therefore unable to complete relevant testing and deliver the agreed scope for this audit.
2021/22	Service Based Budget Monitoring Across the Organisation	Limited (Two priority 1 and three priority 2 issues)	Priority 1 issues were identified relating to: <ul style="list-style-type: none"> There is a lack of guidance and training provided to budget holders in relation to budget setting and monitoring processes Based on interviews, 29% of the Budget Managers did not believe that they had sufficient financial information to discharge their duties. In addition, 57% of the Budget Managers suggested that timely financial information was not provided prior to any significant impact on their budget.
2021/22	Food Safety	Limited (One priority 1 and one priority 2 issue)	Insufficient food safety inspections had been conducted (based on figures at 25 February 2022) during 2021/22 to meet the requirements of the FSA Code
2021/22	Community Fund Contracts	Limited	Signed contracts were not held for two of the sample of five organisations tested. Both organisations receive funds in excess of

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Year	Internal Audit Title	Assurance Level & Number of Issues	Summary of Key Priority 1 Issues Raised
		(One priority 1, two priority 2 and one priority 3 issue)	£15k per annum and despite having no signed contract funds had been released to both of these organisations
2021/22	Information Management	Limited (One priority 1, one priority 2 and one priority 3 Issue)	The Information Asset Registers (IAR) were not subject to regular review
2021/22	HRA Accounting	Limited (Two priority 1, one priority 2 and two priority 3 issues)	Priority 1 issues were identified relating to: <ul style="list-style-type: none"> • A lack of evidence existed to verify that discrepancies in reconciliations between the HRA Control Cash and the Ohms Cash Balance were being investigated and resolved • Examination of the HRA recharges identified that the basis for calculating the recharges to the General Fund had not been reviewed in the current year. It was unclear from evidence retained when the last review was completed
2021/22	Fees and Charges	Limited (Two priority 1 and four priority 2 issues)	Priority 1 issues were identified relating to: <ul style="list-style-type: none"> • Fees and charges were not reviewed during 2019/20 and 2020/21 • Testing a sample of 152 fees and charges (out of 970) confirmed that proposed charges for 2021-22 had not been applied for 45 of these on the Council's website
2022/23	Leaseholder Service Charge	Limited (One priority 1, four priority 2 and two priority 3 issue.)	An error was identified in the 2021/22 service charge calculation relating to the repairs and maintenance element of the service charge

Appendix 2 - Follow-up of 2017-18 audits (incomplete follow ups only)

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Resolved	
					Total	Percentage
Non School Internal Audits						
2017/18	Admitted Bodies (Response due 21/01/2022)	Resources	Substantial (5 th follow up in progress)	4	3	75%
Issues and resolution from internal audits that have had responses				431	392	91%
Priority 1 Issues from internal audits that have had responses				47	47	100%

Appendix 3 - Follow-up of 2018/19 audits (incomplete follow ups only)

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Resolved	
					Total	Percentage
2018/19	Energy Recharges	Resources	No (2nd follow up in progress)	7	4	57%
				One priority 1 issue not yet resolved		
2018/19	Air Quality Strategy, Implementation and Review	SCRER	Limited (6 th follow up in progress)	8	6	75%
2018/19	Council Investment and Operational Properties – Income Maximisation	Resources	Substantial (7 th follow up in progress)	4	3	75%
Issues and resolution from internal audits that have had responses				364	339	93%
Priority 1 Issues from internal audits that have had responses				51	50	98%

Appendix 4 - Follow-up of 2019/20 audits (incomplete follow ups only)

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Resolved	
					Total	Percentage
Non School Internal Audits						
2019/20	Lettings Allocations and Assessments	Housing	Limited (3 rd follow up in progress)	3	1	33%
				One priority 1 issue not yet resolved		
2019/20	Placements in Private Housing Accommodation	Housing	Limited (4 th follow up in progress)	4	2	50%
2019/20	Wheelchair Service – Community Equipment Service	ASC&H	Limited (10 th follow up in progress)	3	2	67%
				One priority 1 issue not yet resolved		
2019/20	Freedom of Information and Subject Access Requests	ACE	Limited (4 th follow up in progress)	3	2	66%
2019/20	Enforcement Agents - Procurement	Resources	Limited (6 th follow up in progress)	6	3	50%
				Two priority 1 issues not yet resolved		
2019/20	IT Policies Review	ACE	Substantial (3 rd follow up in progress)	5	0	0%
2019/20	Uniform IT Application	ACE	Substantial (9 th follow up in progress)	4	1	25%
2019/20	Peoples ICT Application	ACE	Substantial (1 st follow up in progress)	7	4	57%
Non-School Internal Audits Sub Total: Issues and resolution from internal audits that have had responses				175	150	85%
Non-School Internal Audits Sub Total: Priority 1 Issues from internal audits that have had responses				38	34	89%
School Internal Audits						
Financial Year	Audit Followed up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2019/20	Winterbourne Nursery and Infant School	CYP&E	No (No further follow up)	22	22	100%
2019/20	Beulah Junior School	CYP&E	Limited (No further follow up)	14	13	93%
2019/20	Kenley Primary School	CYP&E	Limited (No further follow up)	11	10	91%
2019/20	Margaret Roper Catholic Primary School	CYP&E	Limited (No further follow up)	11	10	91%
2019/20	Minster Infant School	CYP&E	Limited (No further follow up)	16	13	81%
2019/20	Norbury Manor Primary School	CYP&E	Limited (No further follow up)	13	13	100%

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Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Resolved	
					Total	Percentage
2019/20	St Joseph's Federation	CYP&E	Limited (No further follow up)	14	13	93%
2019/20	Virgo Fidelis Convent Senior School	CYP&E	Limited (No further follow up)	19	19	100%
2019/20	Crosfield Nursery and Selhurst Early Years	CYP&E	Substantial (No further follow up)	8	7	87%
2019/20	All Saints C of E Primary School	CYP&E	Substantial (No further follow up)	12	12	100%
2019/20	Elmwood Infant School	CYP&E	Substantial (No further follow up)	6	6	100%
2019/20	Heavers Farm School	CYP&E	Substantial (No further follow up)	13	13	100%
2019/20	Selsdon Primary School	CYP&E	Substantial (2nd follow up in progress)	3	3	100%
School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses				162	154	95%
School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses				31	31	100%
Issues/Recommendations and resolution/implementation from internal audits that have had responses				337	304	90%
Priority 1 Issues/Recommendations from internal audits that have had responses				69	65	94%

Appendix 5 - Follow-up of 2020/21 audits

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Resolved	
					Total	Percentage
Non School Internal Audits						
2020/21	Creditors – Procure to Pay	Resources	Limited (2 nd follow up in progress)	12	3	25%
				Four priority 1 issues not yet resolved		
2020/21	Banking	Resources	Limited (2 nd follow up in progress)	4	3	75%
2020/21	Overtime payments Limited Assurance with no priority 1 issues	Resources	Limited (No further follow ups))	5	5	100%
2020/21	Clinical Governance	ASC&H	Limited (4 th follow up in progress)	6	3	50%
				1 priority 1 issue not yet resolved		
2020/21	Disabled Facilities Grants	Housing	Limited (No further follow up)	4	4	100%
2020/21	Public Health – Contract Management – Sexual Health Services	ASC&H	Limited (No further follow up)	7	7	100%
2020/21	Temporary Accommodation – Standards in Private Sector (Update provided and being reviewed)	Housing	Limited (4 th follow up in progress)	6	1	17%
				2 priority 1 issues not yet resolved		
2020/21	Placement Deposits	CYP&E	Limited (No further follow up)	5	5	100%
2020/21	Overtime Payments – Parking Services	SCRER	Limited (No further follow up)	6	5	83%
2020-21	SEN Transport – Safeguarding (Update provided and being reviewed)	SCRER	Limited (5 th follow up in progress)	4	3	75%
				1 priority 1 issue not yet resolved		
2020/21	Long Term Sick and Maternity Leave	ACE	Limited (No further follow up)	4	4	100%
2020/21	New Supplier Set Up	ACE	Limited (No further follow up)	6	6	100%
2020/21	Right to Work Checks	ACE	Limited (3 rd follow up in progress)	3	2	66%
2020/21	Cyber Security	ACE	Limited (4 th follow up in progress)	9	4	44%
2020/21	Ordinary Residents	ASC&H	Substantial (No further follow up)	2	2	100%
2020/21	Blue Badges	ACE	Substantial (No further follow up)	4	4	100%
2020/21	Corporate Estate: Building Compliance	Resources	Substantial (4 th follow up in progress)	6	2	33%

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Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Resolved	
					Total	Percentage
Non-School Internal Audits Sub Total: Issues and resolution from internal audits that have had responses				93	63	68%
Non-School Internal Audits Sub Total: Priority 1 Issues from internal audits that have had responses				24	16	67%
School Internal Audits						
Financial Year	Audit Followed up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2020/21	Tunstall Nursery School	CYP&E	Substantial (No further follow up)	3	3	100%
2020/21	Thornton Heath Nursery School	CYP&E	No (No further follow up)	14	13	93%
2020/21	Forestdale Primary School	CYP&E	Substantial (No further follow up)	11	11	100%
2020/21	Greenvale Primary School	CYP&E	Substantial (No further follow up)	10	8	80%
2020/21	Purley Oaks Primary School	CYP&E	Substantial (No further follow up)	9	9	100%
2020/21	Smitham Primary School	CYP&E	Substantial	5	4	80%
2020/21	Winterbourne Nursery and Infants School	CYP&E	(No further follow up)	5	5	100%
2020/21	Archbishop Tenison's CofE High School	CYP&E	Limited (No further follow up)	11	10	91%
2020/21	Thomas More Catholic High School	CYP&E	Limited (2 nd follow up in progress)	14	13	98%
				1 priority 1 recommendation not yet implemented		
2020/21	St Giles	CYP&E	Substantial (No further follow up)	3	3	100%
2020/21	St Nicholas	CYP&E	Substantial (No further follow up)	7	6	86%
2020/21	Red Gates	CYP&E	Substantial (No further follow up)	5	5	100%
School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses				97	90	93%
School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses				5	4	80%
Issues/Recommendations and resolution/ implementation from internal audits that have had responses				190	153	81%
Priority 1 Issues/Recommendations from internal audits that have had responses				29	20	69%

Appendix 6 - Follow-up of 2021/22 audits

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Resolved	
					Total	Percentage
Non School Internal Audits						
2021/22	Parking Enforcement – Pay and Display	SCRER	Limited (1 st follow up in progress)	4	-	-
2021/22	Service Based Monitoring – Across the Organisation	Resources	Limited (1 st follow up in progress)	5	-	-
2021/22	Community Fund: Contracts	ACE	Limited (No further follow up_	2	2	100%
2021/22	Information Management	ACE	Limited (3 rd follow up in progress)	3	0	0%
				1 priority 1 issue not yet resolved		
2021/22	Business Rates and Business Grants	Resources	Substantial (1 st follow up in progress)	1	-	-
2021/22	Youth Offending	CYP&E	Substantial (No further follow up)	3	3	100%
2021/22	Traffic Management	SCRER	Substantial (1 st follow up in progress)	2	-	-
Non-School Internal Audits Sub Total: Issues and resolution from internal audits that have had responses				8	5	62%
Non-School Internal Audits Sub Total: Priority 1 Issues from internal audits that have had responses				2	1	50%
School Internal Audits						
Financial Year	Audit Followed up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2021/22	Downsview Primary	CYP&L	Substantial (No further follow up)	2	2	100%
2021/22	Gresham Primary	CYP&L	Substantial (No further follow up)	7	6	86%
School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses				9	8	89%
School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses				-	-	-
Issues/Recommendations and resolution/ implementation from internal audits that have had responses				17	13	76%
Priority 1 Issues/Recommendations from internal audits that have had responses				2	1	50%

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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